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Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1989

HENRY HOLT AND COMPANY, INC.,

Petitioner,

vs.

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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200 pp

Questions Presented

1. Is a virtual prohibition upon the quotation of technically unpublished, but publicly disseminated, primary source materials written by a prominent person consistent with the Copyright Act, the Copyright Clause, and the First Amendment to the United States Constitution?

2. Is it a copyright infringement to quote from an author's technically unpublished expression where some limited copying is necessary to give a fair and accurate report of facts set forth in the author's writings?

3. Is the nearly automatic issuance of an injunction to bar publication of a biography that quotes briefly from technically unpublished primary source materials, without consideration

of the public interest favoring publication, consistent with the Copyright Act, the Copyright Clause, and the First Amendment to the United States Constitution?

Parties to the Proceeding

The parties before this Court are those set forth in the caption.[1]

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[1]/Pursuant to Supreme Court Rule 28.1, we advise the Court that Henry Holt and Company, Inc., is 100 percent owned by Holtzbrinck Publishing Holdings Limited Partnership, whose partners are under the common control of Verlagsgruppe Georg Von Holtzbrinck GmbH.

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No. 89-

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1989

HENRY HOLT AND COMPANY, INC.,

Petitioner,

- against -

NEW ERA PUBLICATIONS
INTERNATIONAL, ApS,

Respondent.

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Henry Holt and Company, Inc. respectfully prays that a writ of certiorari issue to review the opinion of the United States Court of Appeals

for the Second Circuit entered in this action on April 19, 1989.

Opinions Below

There have been four opinions below in this matter, two by the District Court and two by the Court of Appeals. In chronological order they are:

1. New Era Publications International, ApS v. Henry Holt and Company, Inc., 684 F. Supp. 808 (S.D.N.Y. 1988) (Leval, J.) (denying temporary restraining order) (a copy is reproduced in the Appendix to this Petition at A-209.)

2. New Era Publications International, ApS v. Henry Holt and Company, Inc., 695 F. Supp. 1493 (S.D.N.Y. 1988) (Leval, J.) (holding that Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir. 1987), cert. denied,

108 S. Ct. 213 (1987), required a finding of infringement, but denying a permanent injunction) (a copy is reproduced in the Appendix at A-52.)

3. New Era Publications International, ApS v. Henry Holt and Company, Inc., 873 F.2d 576 (2d Cir. 1989) (Miner, J., with separate concurrence by Oakes, C.J.) (affirming the denial of a permanent injunction on other grounds) (a copy is reproduced in the Appendix at A-1).

4. New Era Publications International, ApS v. Henry Holt and Company, Inc., 884 F.2d 659 (2d Cir. 1989) (memorandum denying defendant's petition for rehearing by a vote of 7-5, together with dissenting and concurring opinions written by Newman, J., and Miner, J., respectively) (a copy is reproduced in the Appendix at A-224).

Basis for Jurisdiction

This is an action for alleged copyright infringement over which the District Court had jurisdiction under 28 U.S.C. §§ 1331, 1338). The Court of Appeals had jurisdiction to hear the appeal from the finding of infringement and the denial of a request for permanent injunction under 28 U.S.C. § 1292(a). The opinion and order of the Court of Appeals was entered on April 19, 1989. A timely petition for rehearing with a suggestion of rehearing en banc was denied on August 29, 1989, and this petition for a writ of certiorari was filed within 90 days of that date. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

Constitutional and Statutory Provisions Involved

Article I, section 8, clause 8 of the United States Constitution provides that:

> The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

The First Amendment to the United States Constitution provides that:

> Congress shall make no law . . . abridging the freedom of speech, or of the press.

The Copyright Revision Act of 1976, 17 U.S.C. § 102(b) (hereinafter the "1976 Copyright Act") provides:

> In no case does copyright protection . . . extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated or embodied in such work.

Section 107 of the 1976 Copyright Act provides that:

> Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies . . . for purposes such as criticism, comment, news reporting, . . . scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include--
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

Section 502(a) of the 1976 Copyright Act provides that:

> Any court having jurisdiction of a civil action arising under this title may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.

STATEMENT OF THE CASE

This action for alleged copyright infringement marks the fourth attempt[1] by the Church of Scientology, or its affiliated publisher, New Era Publications International, ApS ("New Era"), to suppress publication of a critically praised biography of L. Ron Hubbard, the prominent science fiction writer and founder of Scientology.[2] The biography entitled Bare-Faced Messiah (the "Book") quotes briefly from certain technically unpub-

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1/In previous actions in Great Britain, Canada, and Australia, the Church of Scientology or New Era failed to disrupt publication of Bare-Faced Messiah, and there was no finding of liability on the part of the publishers or the author. The British Court noted that the action in that country amounted to "oppressive litigation" instituted to "stifle criticism" and not to protect "any legitimate interest of the Church." (C.A. App. 964, 1007.)

2/For all practical purposes, New Era is the alter-ego of the Church of Scientology. (C.A. App. 1094--95.)

lished but publicly disseminated letters, memoranda, applications, diaries, and other documents written by Mr. Hubbard, many of which the biographer, Russell Miller, obtained from United States government agencies by means of requests filed under the Freedom of Information Act. The principal legal issues presented by this petition are whether the Court of Appeals was correct in holding that the 1976 Copyright Act ordinarily affords such primary source materials "complete protection" from any quotation by historians and biographers (A-18), and whether the statute so interpreted is consistent with the Copyright Clause and the First Amendment.

From the early 1950s until his death in 1986, Mr. Hubbard was one of the most eccentric and controversial

public figures on the American scene. Under his leadership, the Church of Scientology established hundreds of pseudo-scientific counseling centers worldwide, which took in approximately $2 million a week during the 1970s from adherents who underwent a one-on-one counselling process, known as "auditing." (C.A. App. 1113.) But as Mr. Hubbard's followers proliferated, his legal entanglements multiplied as well. In the United States and abroad, Hubbard was accused of fraud and other crimes, and in 1979 eleven Church members were convicted of charges stemming from an FBI investigation into alleged infiltration of U.S. government agencies, as well as burglaries, illegal wiretapping, and theft of government documents. (Id.)

Although he was a prolific novelist, Mr. Hubbard's greatest work of fiction may have been the mythical account that he gave of the events in his own life. One of the principal objectives of Mr. Miller's biography is to illustrate the discrepancies between the false public persona Hubbard had created for himself and the truth that he attempted to conceal. (A-7; A-60--61.) As evidence of Mr. Hubbard's public persona, Mr. Miller sometimes quotes from the published works of Hubbard and the Church. As sharply contrasting evidence of Mr. Hubbard's concealed dishonesty, egoism, avarice, charlatanism, paranoia, bigotry, cruelty, disloyalty, hypocrisy, uncontrolled lust for power, and near insanity, Mr. Miller sometimes quotes very brief passages from tech-

nically unpublished primary source materials written by Mr. Hubbard.

Among the documents that are briefly quoted in Bare-Faced Messiah are Hubbard's application to the Veteran's Administration containing false claims for benefits (A-115); a letter to the FBI in which Hubbard denounces his wife as a spy (A-126--27); journal entries in which Hubbard makes bigoted remarks about Asians (A-127--30); a letter in which Hubbard falsely tells his daughter that he is not her father (A-132); a letter to President Kennedy in which Hubbard purports to offer advice on foreign policy (C.A. App. 157); a draft of a proposed constitution for Rhodesia (A-121); a letter to the FBI in which Hubbard claims expertise in the area of nuclear physics and purports that the

medical dangers of radiation are "more mental than physical" (A-123); a bulletin to his followers in which Hubbard advises that "the law can be used easily to harass" opponents (A-133); a letter in which Hubbard cynically proposes converting Scientology into a "religion" for business reasons (A-135); and a number of others. The quotations from these and other works are the factual evidence of the falsehoods, character defects, and psychopathologies that Miller ascribes to Hubbard.

The Church and its publishing arm, New Era, have made every effort to frustrate publication of Mr. Miller's unauthorized biography. Prior to commencing the aforementioned litigations in Great Britain, Canada, and Australia, the Church hired private investigators

to engage in surveillance of Mr. Miller, to smear his reputation, and to intercept his mail and telephone calls. (C.A. App. 833, 857--58, 910--11.) The Church and New Era even attempted to buy out Holt's rights to publish the Book in an effort to ensure that it would never be released in the United States. (A-215; C.A. App. 893--94.) The buy-out offer was scarcely motivated by a high appreciation of the biography; as Judge Oakes has noted, the executor of the Hubbard estate, during his deposition, described Bare-Faced Messiah as a "scumbag book...full of bullshit." (A-43.)

After Holt unequivocally rejected the buy-out proposition, New Era sued. Initially, the District Court denied New Era's application for a temporary restraining order. (A-4.) However,

when (over Holt's strenuous objection) New Era offered to post an undertaking to make Holt whole for damages it sustained by reason of the suppression, the District Court issued a temporary restraining order barring distribution of the second printing. (A-4.) With the consent of the parties, the District Court consolidated the motion for a preliminary injunction into a trial on the merits of plaintiffs' request for a permanent injunction.

The District Court Opinion

On August 9, 1988, the District Court issued an 86-page opinion, supplemented by a 102-page appendix, denying plaintiff's request for a permanent injunction. The District Court found that Bare-Faced Messiah was "a serious book of responsible historical criticism" -- the type of public exposé of

deception and misconduct that the First Amendment and the Copyright Act are intended to promote, not discourage. Some verbatim quotation from unpublished works was justified, the District Court said, in order to prove Mr. Miller's assertions about Mr. Hubbard's alleged character traits such as mendacity, bigotry, and paranoia that could not reasonably be established except by reference to Hubbard's own words. (A-182--83.) The District Court observed that a biographer or historian "should not be required simply to express conclusions without defending them by example." (A-150.) The District Court specifically indicated that, but for the controversial opinion of a panel of the Second Circuit in Salinger, supra, "I would conclude that fair use had been adequately

demonstrated.... Here the demonstration of fair use is far more compelling [than in Salinger]." (A-185.)

While the District Court concluded that it was constrained by Salinger and stare decisis to find some small degree of infringement, it nevertheless determined that this case was "drastically different" from an ordinary copyright infringement claim because (1) Bare-Faced Messiah was not an example of "profiteering appropriating the creative effort and genius of another" or other "opportunistic free riding"; (2) the infringing portions are "insignificant"; and (3) an injunction would "diminish public knowledge," thereby implicating First Amendment concerns. (A-191--92.) The Court noted that:

> Since Salinger [the conflict between freedom of speech and the injunctive remedy] is inescapable. If a biographer, historian or

> critic needs to use unpublished letters to make her critical points, she cannot confidently rely on the doctrine of fair use no matter how worthwhile, creditable and instructive the biography may be. We must, therefore, focus with new intensity on the potential conflict between the copyright and freedom of speech, and particularly on whether a finding of infringement should ritualistically call forth an injunction.

(A-194--95.) The District Court then held:

> I have no difficulty concluding that this is one of those special circumstances in which the interests of free speech overwhelmingly exceed the plaintiff's interest in an injunction.

(A-207.)

The Majority Opinion of the Second Circuit

On an expedited basis, New Era appealed the denial of the permanent injunction and Holt cross-appealed the finding of infringement. In an opinion dated April 19, 1989, a majority of the three-member panel of the Second Cir-

cuit affirmed both holdings.[3] However, on the injunction issue, the majority based its affirmance on the "wholly different" ground of laches, which had not formed a basis for the District Court's decision. (A-17.)

The majority entirely rejected the District Court's view that a biographer should be entitled to some limited leeway to quote from primary source materials in order fairly and accurately to convey facts. (A-18.) Citing Salinger, the majority insisted that, regardless of the purpose for which they are used, unpublished primary source materials "normally enjoy complete protection" from any fair use quotation. (A-18 (emphasis added).) Although there was no evidence in the

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3/The majority opinion was written by Judge Miner, who coincidentally had been a member of the two-member panel that decided Salinger.

record that Mr. Miller's brief quotations would have any adverse effect on the value, if any, of Mr. Hubbard's works, the majority speculated that "some impairment of the market seems likely." (A-19.) The majority concluded that "the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring unauthorized use." (A-19.)

The Concurring Opinion of Chief Judge Oakes

In a concurrence, Judge Oakes sharply criticized the majority's failure to recognize that it is fair use to quote brief passages from primary source materials in order fairly and accurately to report facts. He suggested that a mechanical application of the analysis in the Salinger case threatened to chill the creative

efforts of biographers, historians, journalists, and others:

> I thought that Salinger might by being taken literally in another factual context come back to haunt us. This case realizes that concern.

(A-23.) Judge Oakes disagreed with virtually every aspect of the majority's analysis:

* He rejected the majority's view that "if a work is unpublished [a finding of infringement] follows as of course . . . ." (A-28.)

* He "totally disagreed" with the majority's view that Mr. Miller's use of Hubbard's unpublished copyrighted material was "more than 'small'" and concluded that "[o]ut of the millions of Hubbard's words the use was infinitesimal." (A-29.)

* He "completely departed company" from the majority's pure speculation that there might be "some impairment of the market" for the Hubbard works. (A-43.)

* He opposed the majority's view that an injunction against a serious biographical work should issue almost automatically upon a finding of infringement. (A-45--51.)

In a particularly important passage, Judge Oakes noted:

> Responsible biographers and historians constantly use primary sources, letters, diaries, and memoranda. Indeed, it would be irresponsible to ignore such sources of information.

(A-48.) Judge Oakes then observed that the amount of quotation permissible under the fair use doctrine must depend in part on the particular use made of the quotations:

> [W]ords that are facts calling for comment are distinguishable from words that simply enliven text. The law recognizes that words themselves may be facts to be proven. . . . According to Messiah, Hubbard lies, boasts, etc. Thus, in Salinger's words, . . . Messiah seeks only in quoting Hubbard's writings to "report[] only the fact of what [Hubbard] said."

(A-38--39 (citations omitted).)

Finally, Judge Oakes vigorously argued that issuance of an injunction in a case such as this would serve only to "discourage writers and publishers

who might otherwise undertake critical biographies of powerful people, without serving as an incentive for copyright holders." (A-49.) He concluded that the First Amendment interest in "the widest possible dissemination of information from diverse and antagonistic sources" should be taken into account in considering whether to enter an injunction, even assuming that this interest is properly excluded from the fair use analysis when determining whether an infringement has occurred. (A-50.)

The Concurring and Dissenting Opinions on Holt's Petition for Rehearing

Holt cross-petitioned for rehearing en banc on both the finding of infringement and on the majority's holding that an injunction prohibiting publication of a scholarly biography or history should automatically enter once

infringement has been found.[4] In an extraordinary 7-5 vote, the Second Circuit declined to grant rehearing.

Four of the five dissenting judges stated that they felt compelled to write in order "to avoid misunderstanding on the part of authors and publishers as to the copyright law of this Circuit -- misunderstanding that risks deterring them from entirely lawful writings in the fields of scholarly research, biography, and journalism."[5] (A-235--36.) The dissenters went on to state their belief that "copying of some small amounts of

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4/New Era's petition for rehearing on the laches issue was denied without opinion.

5/The dissent was all the more remarkable for the fact that it was written by Judge Newman, who had written the Salinger opinion. Indeed, Judge Newman's dissent purported to rewrite a crucial sentence in Salinger regarding injunctive relief. (A-244 n.1.)

unpublished expression to report facts accurately and fairly" must be deemed a fair use. (A-240.)

> [W]e do not believe that biographers and journalists need be apprehensive that this Circuit has ruled against their right to report facts contained in unpublished writings, even if some brief quotation of expressive content is necessary to report those facts accurately.

(A-243.) Additionally, the dissent underscored that an injunction should not be routinely granted upon a finding of infringement and that "the public interest is always a relevant consideration for a court deciding whether to issue an injunction." (A-245.)

While the dissenters had hoped to allay "misunderstanding in the sensitive field of authorship" (A-246), the substance and tone of a separate concurrence by four judges gave biographers and historians more reason

than ever to fear that a virtual prohibition on the fair use of primary source materials is now in force in the Second Circuit, where most of the nation's major book publishers are based. See K. Vittor, Fair Use of Unpublished Materials: "Widow Censors," Copyright and First Amendment, Commun. Lawyer 23, 27 (Fall 1989). The concurrence categorically rejected the proposition that there may be some added leeway for quotation of unpublished works when it is necessary accurately to convey facts. (A-229.) And it qualified only slightly the prospect of an automatic injunction upon a finding of infringement, stating that "under ordinary circumstances" an injunction must issue when "'more than minimal amounts' of unpublished expres-

sive material is quoted." (A-235.)

The concurrence concluded that:

> [W]hether or not "this Circuit is committed to the language of the panel opinion," it surely is not committed to the language of the appended dissenting opinion.

(A-226.)

Despite the fact that a permanent injunction was ultimately denied, plaintiff has succeeded in using the injunctive powers of the courts to kill this Book. Publication was prohibited for 11 months, completely disrupting publicity, advertising, and sales efforts. Even now, plaintiff continues to use the copyright law to tie up Bare-Faced Messiah. Holt has been labeled an infringer, and plaintiff claims that, in the wake of a finding of infringement, further distribution of the Book would be a willful violation of copyright, greatly enhancing the

remedies available to it. Plaintiff has also argued to the District Court that it is still entitled to a permanent injunction if it pays a sum sufficient to compensate Holt for the damages caused by plaintiff's laches.

The earlier Salinger case had at least arguably been limited to situations where a biographer uses quotes from unpublished materials to "enliven" his text or where the quotations intrude upon personal privacy. But in the majority opinion of the panel and in the concurring opinion denying rehearing, the Court of Appeals has effectively held that quotations from unpublished sources are forbidden fruit, regardless of the factual content or the purposes for which they are used.

REASONS FOR GRANTING THE WRIT

The decisions of the Second Circuit in this case and in the earlier Salinger case have brought the Copyright Act into direct collision with the policies of the Copyright Clause and the First Amendment. As Judge Oakes observed, "[r]esponsible biographers and historians constantly use primary sources, letters, diaries, and memoranda." (A-48.) But the Second Circuit's virtual prohibition on the quotation or paraphrase of such materials has now made it impossible for a scholar to practice his craft as it has traditionally been practiced without running a high risk of incurring an injunction and liability for money damages.

Holt respectfully submits that the Second Circuit has turned the Copyright

Act on its head. A statute intended to promote the progress of the useful arts is now repeatedly being used to muzzle responsible biographers and historians. If the plaintiff can disrupt publication of this Book, and recover money damages, based upon the quotation of certain brief excerpts from disseminated, albeit technically unpublished documents, quoted in the interest of exposing quackery and public lies, then the copyright monopoly has indeed become what this Court has indicated it should never be -- "an instrument to suppress facts." Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985).

In short, the guidance of this Court is urgently needed to resolve the fundamental questions raised by this case with respect to the interpretation

of 17 U.S.C. 107 and the interrelationship between the the Copyright Act and the Constitution.

POINT I

THE COURT OF APPEALS' PROHIBITION ON THE QUOTATION OF PRIMARY SOURCE MATERIALS PROMOTES CENSORSHIP AND SELF-CENSORSHIP OF BIOGRAPHICAL AND HISTORICAL WORKS AND IS INCONSISTENT WITH THE COPYRIGHT ACT, THE COPYRIGHT CLAUSE, AND THE FIRST AMENDMENT

It is commonplace -- indeed almost universal -- for responsible biographers and historians to refer to and quote from primary source materials such as letters, diaries, journals, speeches, and memoranda.[6] Such mat-

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6/Numerous commentators have observed that the rule of law set forth in the Salinger and New Era cases, and their progeny, is completely at odds with the real-world practice of responsible biographers and historians. For example, Pulitzer Prize-winning biographer Arthur Schlesinger recently wrote:

> The Bare-Faced Messiah decision strikes a blow against the whole historical enterprise . . . .

Schlesinger, The Judges of History Rule, Wall

erials are the contemporaneous and "unpremeditated" evidence of historical truth. J. Barzun & H. Graff, The Modern Researcher 131--33 (1962). As a

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Street Journal, Oct. 26, 1989, Sec. A, at 16. Scholar Michael Benedict has observed that, if quotation of unpublished source materials were deemed unlawful, "almost every American work of history or biography published in the twentieth century, popular or scholarly, has left its author and publisher open to legal suit for infringement." Benedict, Historians and the Continuing Controversy Over Fair Use of Unpublished Manuscript Materials, 91 Am. Historical Rev. 859, 863 (Oct. 1986). Stanley Katz, President of the American Council of Learned Societies, has warned that unless the Salinger decision is narrowly confined to its facts, "it could badly inhibit the work of professional historians and other academic researchers." Margolick, Whose Words Are They, Anyway?, N.Y. Times, Nov. 1, 1987, Sec. 7, p. 45. Speaking specifically about the Second Circuit's opinion in this case, one editorial writer commented:

> Unpublished letters, diaries, speeches and conversations of historical figures are the basic building blocks and source materials of history and biography. Biographers must use their subject's words . . . to support their own theme or thesis. All unauthorized biographies of living figures are put at risk [by the New Era case]....

Editorial, Copyright Chaos, 1989, The Nation, June 5, 1989, at 759, 760.

Pulitzer Prize-winning historian has explained:

> I use material from primary sources only. My feeling about secondary sources is that they are helpful but pernicious. .
>
> ...
>
> I plunge as soon as I can into the primary sources: the memoirs and the letters, the generals' own accounts of their campaigns, however tendentious, not to say mendacious, they may be.
>
> ...
>
> The most primary source of all is unpublished material: private letters and diaries or the reports, orders, and messages in government archives. There is an immediacy and intimacy about them that reveals character and makes circumstances come alive.

B. Tuchman, Practicing History 18--19 (1981).

For scholars to forego reasonable quotation of unpublished primary sources in biographical studies runs "against the canons of historical scholarship and style." Benedict, supra, at 863. If, as the Second Circuit has said, primary source materials "enjoy

complete protection" from quotation or close paraphrase, biographers will be deterred from doing what they are supposed to do -- seeking out, analyzing, and preserving previously undiscovered primary source materials -- and the craft of biography will be profoundly and adversely affected. (A-18.) Historical writing will be rendered less accurate, less complete, less authentic, less incisive, less stylish, and less useful to subsequent scholars.

Already an alarming pattern of censorship by copyright has emerged in the wake of the Salinger and New Era decisions. Litigations and threatened litigations have proliferated wherein copyright owners have used ostensible complaints about brief quotations from primary source materials to extort changes in the factual content of bio-

graphies or to block publication altogether.[7] Fearful of costly lawsuits, publishers are insisting that

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7/For example, the widow of the novelist Richard Wright has commenced an action against Warner Books, principally claiming infringement of six allegedly unpublished letters, which were briefly quoted in an award-winning biography of her husband, who died in 1960; the Wright letters were written to the biographer herself, Margaret Walker Alexander. See Wright v. Warner Books, Inc., 89 Civ. 3075 (S.D.N.Y. 1989). In July, New Era obtained a court order compelling Carol Publishing Group (which is unrelated to Holt) to turn over to it the manuscript of a forthcoming book prior to publication because New Era suspected it might quote from unpublished writings of Mr. Hubbard. New Era Publications International v. Carol Publishing, No. 89 Civ. 3845 (S.D.N.Y. July 27, 1989) (available on LEXIS). The New York Times recently reported that, in order to compel a biographer to remove a chapter of the book that did not quote from copyrighted materials, the grandson of James Joyce threatened a copyright action based upon certain "innocuous" letters quoted elsewhere in the biography. James, The Fate of Joyce Family Letters Causes Angry Literary Debate, N.Y. Times, Aug. 15, 1988, Sec. C, at 11. The Bingham family of Louisville reportedly invoked a claim of copyright in unpublished letters to deter one publisher from issuing a biography of the publisher of the Louisville Courier Journal, although the book was eventually published elsewhere. Sheppard, Trespassers Will Be Prosecuted, Newsweek, May 23, 1988, at 74--75. See also Love v. Kwitny, 706 F. Supp. 1123 (S.D.N.Y. 1989) (citing

authors remove all quotations from unpublished works when permissions cannot be obtained.

Extending "complete protection" against the quotation of "any protected expression" runs directly contrary to the statutory language of Section 107, the prior case law regarding unpublished works, the policy of the Copyright Clause, and First Amendment values.

In Harper & Row, this Court held that "the right of first publication, like the other rights enumerated in § 106 is expressly made subject to the fair use provision of § 107." 471 U.S. at 552. Thus, under appropriate circumstances, the fair use doctrine is available for quotation of both published and unpublished works. Of course, this

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Salinger in support of finding of infringement of unpublished essay).

Court also recognized in Harper & Row that unpublished status is a factor tending to weigh against a finding of fair use, but that is a far cry from the insurmountable barrier to fair use that the Court of Appeals has erected with its statement that "[unpublished] works normally enjoy complete protection against copying any protected expression." (A-13 (emphasis added) (quoting Salinger).)

Even prior to Harper & Row, the courts had recognized that some fair use could be made of unpublished primary source materials of historical significance. See 1 M. Nimmer, Nimmer on Copyright, § 5.04, at 5-34 & n. 15 (1988). For example, in the landmark case of Estate of Hemingway v. Random House, Inc., 53 Misc. 2d 462, 279 N.Y.S.2d 51 (Sup. Ct. N.Y. Co.), aff'd,

29 A.D.2d 633, 285 N.Y.S.2d 568 (1st Dep't 1967), aff'd, 23 N.Y.2d 341, 296 N.Y.S.2d 771 (1968), the court declined to find limited copying from unpublished letters to be an infringement of common law copyright, holding that:

> in the case of a prominent figure in the arts, the subject matter of his letters was a legitimate source of biographical material. This is especially so when the letters shed light on his thoughts, opinions, and methods of creativity.

But, in the Salinger and New Era cases, the Second Circuit has declared such primary source materials "off limits."

In applying Section 107 of the Copyright Act, it is essential to keep in mind that the purpose of copyright, as stated in Article I, section 8, of the Constitution, is "to promote the progress of Science and the useful Arts." The limited monopoly conferred by copyright is "not primarily for the

benefit of the author, but primarily for the benefit of the public."[8] H.R. Rep. No. 2222, 60th Cong., 2d Sess. 9 (1909); Sony Corp. v. Universal Studios, Inc., 464 U.S. 417, 429 (1984). As the record in this case establishes,

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8/The economic incentive provided by the Copyright Act did not inspire Hubbard to make false claims for benefits from the Veteran's Administration (A 40), to denounce his wife to the FBI (A 47), or to tell his daughter that he was not her father (A50). As one commentator has said:

> The constitutional and statutory policy of promoting public access to knowledge by encouraging authorship through copyright protection plays a far less significant role with respect to letters than autobiographies and other historical works: there would seem to be little need for copyright to encourage us to write to our friends.

R. Zissu, Salinger and Random House: Good News and Bad News, 35 J. Copyright Soc. 13, 15 (1987). The societal value of a mundane "work" such as Hubbard's application for veteran's benefits derives almost entirely from the biographer's craft of putting the document into perspective and showing what it establishes about Hubbard's character (A 39--42), rather than from any literary property value inherent in the application itself.

the Hubbard estate and the Church have no intention of authorizing publication of the unflattering documents that Mr. Miller has quoted. (A-43.) Rather they are using their copyright monopoly to manipulate the public perception of Mr. Hubbard and to prevent disclosure of the uncomfortable truth about a man who held himself out as a prophet.[9] Imposing liability on the basis of brief quotations from primary sources can only have the perverse effect of discouraging the productive efforts of

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9/Copyright protection now extends for 50 years after the death of the author. 17 U.S.C. §§ 302, 303. If the copyright law gives plaintiff "complete protection" against the quotation of "any protected expression," the public will not be able to see Hubbard as he really was, until the year 2036, if ever. It scarcely promotes the progress of the useful arts to place the technically unpublished writings of a Jim Jones, an Aimee Semple Macpherson, or an L. Ron Hubbard beyond the reach of fair use for 50 years until public interest has waned and he or she has become no more than a footnote character in history.

biographers, with no countervailing advancement of the goals that the Copyright Clause seeks to foster.

Additionally, extending to unpublished works "complete protection" from quotation of "any protected expression" impermissibly abridges the First Amendment rights of biographers and publishers and their readers. The First Amendment guarantees the public's "right to receive information and ideas" in order to unlock all subjects for argument, debate, and dissemination. Kleindienst v. Mandel, 408 U.S. 753, 762 (1972). In most instances, the Copyright Act, like the First Amendment, operates to promote robust public debate by "suppl[ying] the economic incentive to create and disseminate ideas." Harper & Row, supra, 471 U.S. at 558. However, to the extent that

the Copyright Act and the First Amendment operate at cross-purposes, the primacy of the First Amendment mandates a tilt in favor of the public's right of access to copyrighted expression.[10] See, e.g., Meeropol v. Nizer, 361 F. Supp. 1063, 1068 (S.D.N.Y. 1973), aff'd, 505 F.2d 232 (2d Cir. 1974). "When the objectives of free speech require access to the expression of another, the property interest created by copyright must yield." Denicola, Copyright and Free Speech:

10/One commentator has criticized the majority in this case for ignoring the historical relation between the First Amendment and copyright.

> [B]oth the Copyright Clause (1787) and the 1976 Act which flows from it, need to be read with sensitivity to the First Amendment (1791). Adopted as part of the Bill of Rights four years after the Constitution and its Copyright Clause, the First Amendment, like the Civil War Amendments, alters what came before it.

J. Wishingrad, First Amendment "Fair Use", N.Y.L.J., May 22, 1989, at 2.

Constitutional Limitations on the Protection of Expression, 67 Cal. L. Rev. 283, 303 (1979) [hereinafter "Copyright and Free Speech."].

It is a direct affront to First Amendment values to preclude a biographer or historian from quoting any portion of a publicly disseminated statement by a prominent political or religious leader simply because it happens to have been fixed in a "tangible medium of expression." 17 U.S.C. § 102. Yet that is precisely the effect of the decisions here and in Salinger.

POINT II

THE COURT OF APPEALS HAS IMPERMISSIBLY DECLINED TO RECOGNIZE THAT DIRECT QUOTATION OF A PROMINENT PERSON'S WORDS MAY BE NECESSARY "ADEQUATELY TO CONVEY THE FACTS"

In Salinger, the Court of Appeals found that the biographer had improperly used the (unpublished) expression

of his subject to enliven the biography. (A-182.) The District Court distinguished Salinger from this case partly on the grounds that Mr. Miller used the great majority of his quotations from Hubbard, not to enliven the biography, but to prove the fact that Hubbard used particular words and expressed particular views that were at odds with his public persona. (A-183.) For example, Hubbard is quoted as saying that "[t]he trouble with China is, there are too many chinks here." (A-183--84.) The District Court said that:

> It would be preposterous to restrict Miller to writing something like, "Hubbard used a vulgar derogatory epithet exhibiting snobbish disdain for the Chinese." That would be at once unfair to the biographer, the subject, and the readership, which can reasonably demand to know "What did he say? Let us be the judge of whether it was vulgar, snobbish or bigoted."

(A-184.) Surely, the District Court was correct in its view that the significance of Hubbard's statement is the very fact that a self-proclaimed prophet expressed this particular sentiment in these particular words.

On appeal, Judge Oakes agreed that "words that are facts calling for comment are distinguishable from words that simply enliven text." (A-38.) The dissent from the denial of en banc rehearing, similarly stated that "even as to unpublished works, the doctrine of fair use permits some modest copying of an author's expression in those limited circumstances where copying is necessary fairly and accurately to report a fact set forth in the author's writings." (A-239.) But the majority of the panel saw no legal distinction whatever between "quotation to enliven

text" and "quotation necessary to report facts accurately." (A-18.) Instead, the majority strongly reemphasized that unpublished works "enjoy complete protection" and rejected as irrelevant any examination of the specific "purpose" for which the quotations are used. (A-18.)

In rejecting this crucial distinction, the Court of Appeals has left no breathing room at all for scholars. Previous cases had held that brief quotations are a permissible fair use where such quotations are "the only valid way precisely to report" a fact in the copyrighted work. Consumers Union v. General Signal Corp., 724 F.2d 1044, 1049 (2d Cir. 1983), cert. denied, 469 U.S. 823 (1984). Quotation is sometimes necessary "in the interest of accuracy, not piracy." Id. Indeed, in Harper &

Row, this Court expressly recognized that some brief quotes from unpublished works might be "necessary adequately to convey the facts." 471 U.S. at 563. A biographer cannot, for example, cogently document the mendacity of his subject unless he is free to quote both an alleged lie and the documentary evidence of the truth. Reproduction of copyrighted speech must be permitted "where necessary to enable the speaker effectively to inject his or her own ideas into the public dialogue." Copyright and Free Speech, supra, 67 Cal. L. Rev. at 307.

Review by this Court is essential to reestablish the right of biographers to inject their ideas into the public dialogue by reporting upon the contents of primary source materials, even if some quotation "is necessary to report

those facts accurately." (A-243.)

POINT III

THE COURT OF APPEALS HAS IMPROPERLY ELEVATED UNPUBLISHED STATUS INTO A "NECESSARILY DETERMINATIVE" FACTOR IN THE FAIR USE ANALYSIS AND HAS IMPROPERLY ASSUMED AN ADVERSE "EFFECT ON THE POTENTIAL MARKET FOR THE COPYRIGHTED WORK"

Both the District Court and the majority of the Court of Appeals panel considered themselves constrained to follow the Second Circuit's controversial opinion in Salinger. (A-13, 16, 40.) This Court, of course, is not bound by Salinger, and Holt respectfully submits that certain fundamental errors of copyright law in that earlier opinion, which have been carried over into this case, should be reviewed and corrected.

A. THE COURT OF APPEALS HAS MISTAKENLY CONCLUDED THAT "UNPUBLISHED" WORKS ARE "UNQUOTABLE"

In Harper & Row, supra, this Court indicated that the unpublished status of a work is a factor that tends to weigh against a claim of fair use. 471 U.S. at 553. But Harper & Row also stressed that the fact that a work is technically "unpublished" is "not necessarily determinative." Id.

> In a given case, factors such as implied consent through de facto publication or performance or dissemination of a work may tip the balance of equities in favor of prepublication use.

Id. 551 (emphasis added); see also McCleskey v. Zant, No. 1:81-CV-2434, slip. op. at 15--16 (N.D. Ga. 1988).

The Court of Appeals in this case, and in the earlier Salinger case, has conferred upon unpublished works a talismanic immunity from fair use. See E. Perle & J. Williams, The Publishing Law Handbook, § 10.02[b][2], at 302 (1988) (criticizing Salinger for overemphasiz-

ing significance of unpublished status); Comment, Guardian of the Public Interest: An Alternative Application of the Fair Use Doctrine in Salinger v. Random House, 61 St. Johns L. Rev. 515, 623--24 (1987) (same).[11] In so doing, it has failed to consider any of the other factors relevant to the "nature of the copyrighted work," such as the unique factual contents of the Hubbard works and their prior dissemination. 107 U.S.C. § 107.

The significance of even limited prior dissemination was emphasized in

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11/See also Goldberg & Bernstein, Fair Use - The Biographer's Bane, N.Y.L.J., May 19, 1989, col. 2, at 3; Wishingrad, Clear and Present First Amendment Danger, N.Y.L.J., Aug. 22, 1989, at 2 ("[b]iographers are now virtually precluded from publishing convincing, critical portraits backed up by limited use of the subject's unpublished writings to rebut a too polished public persona"); Abrams, The New Era Decision -- A New Era for Copyright, N.Y.L.J., May 19, 1989, at 1; Kaplan, Copyright Suit Reveals Unusual 2d Circuit Rift on Issue of Fair Use, N.Y.L.J., Sept. 8, 1989, at 1.

the legislative history of the 1976 Copyright Act:

> Mr. Olsson: I think the doctrine of fair use flatly applies to common law works.
>
> ...
>
> In fact, if I show this manuscript to my friend privately and I don't swear him to secrecy, I am not thinking of a case where he breaches my confidence or something, but I show it to a friend to read and he later, being a critic, writes a column about it, I am not sure that he is not privileged there by fair use doctrines, I think probably he is.
>
> Mr. Schulman: Well, I agree with Harry [Olsson] entirely on this question of unpublished works being subject to the doctrine of fair use....[S]tatements to the effect that works protected at common law are not subject to fair use do not stand up in the light of experience, and I know of no case which has announced the doctrine.

Copyright Law Revision - Part 2: Discussion and Comments on Report of the Registrar of Copyrights on General Revision of the U.S. Copyright Law, 88th Cong., 1st Sess., at 27 (H.R.

Comm. Print 1963) (cited with approval in Harper & Row, supra, 471 U.S. at 551). The legislative history suggests that when, as in Harper & Row, a manuscript has been held confidential by its author, the scope of the fair use doctrine may be diminished. However, when a manuscript has been disseminated or placed on file with the courts or governmental agencies (as have virtually all of the works in this case), the doctrine of fair use should not be unduly restricted.

Furthermore, the policies identified in Harper & Row as favoring protection of Gerald Ford's soon-to-be published memoirs and the policies that may have influenced the Salinger decision are inapplicable to this case.

1. A Prohibition on the Use of the Hubbard Materials Does Not Promote the Personal Interest in Creative Control

In Harper & Row, this Court concluded that Gerald Ford had an interest in retaining creative control over a work that he was "grooming" for publication. 471 U.S. at 555. A tight restriction on fair use of the memoirs was appropriate in order to ensure former President Ford's freedom to develop his ideas and make editorial changes up until the point when the book was finished to his satisfaction and ready for release. There is, however, no issue of creative control in this case. Mr. Hubbard is no longer living and can no longer groom his works for publication, and it is doubtful whether the issue of "creative control" is even relevant to such utilitarian communications. In any event, Hubbard relinquished crea-

tive control over these materials many years ago when, for example, he mailed his letters to the FBI, the Veterans' Administration, and President Kennedy. At that point they could no longer be recalled or revised. See R. Zissu, Salinger and Random House, supra, 35 J. Copyright Soc. at 15.

2. A Prohibition on the Use of the Hubbard Works Does Not Promote the Personal "Right Not to Speak"

This Court gave some weight in Harper & Row to Gerald Ford's personal right "not to speak" if he so chose. 471 U.S. at 559. On the facts in the instant case, the District Court correctly found that the right not to speak was not at issue. (A-200--04). The prior dissemination of the Hubbard works combined with Mr. Hubbard's death have mooted any personal right "not to speak." Hubbard cannot now obliterate

what was spoken or written during his lifetime; his utterances are "pertinent historical facts." (A-202.)

3. A Prohibition on the Use of the Hubbard Works Does Not Promote the Personal Interest in Privacy

Judge Oakes, like some commentators, has suggested that the outcome in Salinger was tacitly influenced by concerns for Mr. Salinger's personal privacy. (A-30 n.4.) See also Note, Fair Use of Unpublished Materials in the Second Circuit: The Letters of the Law, 54 Brooklyn L. Rev. 417, 457--60 (1988). If that is true, Salinger is readily distinguishable because the Hubbard documents quoted by Miller have long since lost any claim of privacy that they ever may have had. As both the District Court and Judge Oakes observed, Mr. Hubbard died in 1986 and a person's right of privacy terminates

at death. See, e.g., Maritote v. Desilu Productions, Inc., 345 F.2d 418, 420 (7th Cir.), cert. denied, 382 U.S. 883 (1965); Meeropol v. Nizer, 381 F. Supp. 29, 37 (S.D.N.Y. 1974), aff'd in relevant part, 560 F.2d 1061 (2d Cir. 1977), cert. denied, 434 U.S. 1013 (1978). Furthermore, a privacy argument is especially untenable when, as here, many of the copyrighted works at issue are already included in public records. See Restatement [Second] of Torts § 652D, comment b; Sipple v. Chronicle Publishing Co., 154 Cal. App. 3d 1040, 201 Cal. Rptr. 665 (1984). Now the only question is whether the Church and New Era will be allowed to use the copyright laws to prevent broader public exposure of the disseminated writings of Mr. Hubbard that contradict the misleading public

image that Hubbard and the Church have previously cultivated.

B. THE COURT OF APPEALS HAS MISTAKENLY CREATED A PRESUMPTION THAT FAIR USE QUOTATION WILL LIKELY RESULT IN "SOME IMPAIRMENT" OF THE MARKET FOR THE COPYRIGHTED WORK

Of the four fair use factors enumerated in Section 107, "the effect of the use upon the potential market for or value of the copyrighted work" is regarded as by far the most important. See Harper & Row, supra, 471 U.S. at 539, 566. The courts have traditionally held that analysis of the fourth factor requires striking a balance "between the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied." MCA, Inc. v. Wilson, 677 F.2d 180, 183 (2d Cir. 1982); accord Consumers Union of

U.S., Inc. v. General Signal Corp., supra, 724 F.2d at 1050.

In this case, the District Court made a factual finding that the brief quotations had no demonstrable effect on the market for the copyrighted works. (A-172--80.) On appeal, Judge Oakes agreed that there was no evidence in the record of any effect on the market, and stated that "to hold otherwise is in my view to engage in the appellate factfinding prohibited by [FRCP] 52." (A-45.) Nevertheless, here, as in Salinger, the majority of the panel did hold otherwise on the basis of their speculation that New Era might use some of the same words quoted by Mr. Miller in the authorized biography it claims it may someday publish. (A-19.) In analyzing the fourth fair use factor, the majority also expressly

refused to consider the benefit to the public of permitting Holt's use of the copyrighted work, much less to balance it against the speculative impairment of the market value. (A-20.)

The Court of Appeals' uninformed, speculative reasoning ensures that the fourth fair use factor will always weigh against a defendant claiming fair use. The test should not be whether someone else might conceivably use the same material, but whether there is evidence that the defendant's use would actually impair the value of the copyrighted work.[12] Speculation by appellate judges concerning the effect on the market are not -- and should not be -- a sufficient ground for imposing

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12/The pure speculation of the majority is a dramatic contrast to the evidence of actual loss of a first serialization subrights sale that was crucial to the decision of this Court in Harper & Row.

liability, much less a prior restraint on publication, especially when such speculation is at odds with the facts. Holt respectfully submits that, this repeated error by the Court of Appeals in applying the fourth fair use factor should be reviewed and corrected.

POINT IV

THE COURT OF APPEALS IMPROPERLY FAILED TO TAKE INTO ACCOUNT FIRST AMENDMENT CONSIDERATIONS AND THE PUBLIC INTEREST IN DETERMINING WHETHER AN INJUNCTION SHOULD ISSUE UPON A FINDING OF A SMALL DEGREE OF COPYRIGHT INFRINGEMENT

Although a permanent injunction was ultimately denied in this case, the publication of Bare-Faced Messiah was blocked for nearly a year, from May 20, 1988, until April 19, 1989, by the imposition of a temporary restraining order and an injunction pending appeal. By the time the Second Circuit finally lifted the injunction, Holt had lost thousands of orders, and plaintiff had

largely succeeded in its effort to kill this Book. Even after the Court of Appeals' decision, plaintiff has argued to the District Court that it is still entitled to a permanent injunction in the event that it makes Holt whole for the damages caused by its undue delay in bringing this action.[13]

Thus, the issue of whether the public interest and First Amendment values should come into play in determining whether to grant an injunction remains an issue in this case, and the issue is certain to recur again and again, as disgruntled copyright holders, armed with the Salinger and New Era opinions, seek to suppress other

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13/Counsel for New Era has candidly conceded that the reason plaintiff has (temporarily?) withdrawn its motion for a permanent injunction in the District Court on the "buying out the laches" theory is that the issuance of an injunction would enhance the likelihood that this Court might grant certiorari.

controversial biographies and historical accounts that they do not want the public to read. Accordingly, it remains exceptionally important for this Court to clarify the role of the public interest and First Amendment in determining whether an injunction should issue after a finding of some small degree of infringement.

Holt believes that the public interest -- which is always a factor to be considered in an application for injunctive relief, see, e.g., Yakus v. United States, 321 U.S. 414, 440--41 (1944) -- requires the denial of a preliminary or permanent injunction in a case such as this even if the plaintiff is entitled to recover money damages for infringement.

The plain language of the Copyright Act makes clear that Congress

intended injunctive relief to be discretionary, not mandatory, in cases of infringement: "Any Court may... grant...final injunctions on such terms as it may deem reasonable." 17 U.S.C. § 502 (emphasis added).) Numerous commentators have warned of the danger to free speech inherent in automatically issuing an injunction upon a finding of infringement. For example, Judge Kaplan has written:

> [C]ourts have sometimes forgotten that an injunction does not go of course; the interest in the dissemination of a work may justify a confinement of the remedy to a money recovery . . .

B. Kaplan, An Unhurried View of Copyright 73 (1967). Similarly, Professor Goldstein has observed that

> To be actionable, invasions of the copyright must effect economic harm and...an award of damages should be preferred to the injunctive remedy....

> From a [F]irst [A]mendment viewpoint, the effect of an injunction is to restrain the infringing speech altogether -- an effect which goes beyond what is necessary to secure the copyright property.

Goldstein, Copyright and the First Amendment, 70 Colum. L. Rev. 983, 1030 (1970).

The District Court's opinion strikes an appropriate balance that protects the plaintiff's copyright without turning the limited copyright monopoly into an instrument of suppression.[14] The Court of Appeals'

14/ The ritualistic grant of an injunction in copyright cases also poses a high risk of economic inefficiency and wasteful forfeiture.

> [Injunctive] relief should not become automatic [in copyright cases], and it would be desirable to weigh in the balance the risk of extortion that is always present when the value of the relief is small to the plaintiff and the cost high to the defendant.

D. Dobbs, Remedies, 445--46 (1973). The instant case presents a textbook case of "market failure." Plaintiff has flatly stated that

opinion does not. It is vital to the craft of biography for this Court to correct the error of the court below.

CONCLUSION

For the foregoing reasons, a writ of certiorari should issue to review the opinion of the United States Court of Appeals for the Second Circuit.

Dated: New York, New York
November 22, 1989

Respectfully submitted,

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it would never license the right to quote the Hubbard materials except to an author who depicted Hubbard favorably. (A-43.) Thus Miller could not possibly obtain from plaintiff permission to quote.

APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

Nos. 421, 388—August Term, 1988

(Argued September 30, 1988 Decided April 19, 1989)

Docket Nos. 88-7707, 88-7795

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,
A Corporation of Denmark,

Plaintiff-Appellant,

—against—

HENRY HOLT and COMPANY, INC.,
A New York Corporation,

Defendant-Appellee.

Before:

OAKES, MINER and ALTIMARI,
Circuit Judges.

Appeal from a judgment of the United States District Court for the Southern District of New York, Pierre N. Leval, *Judge*, denying a permanent injunction in a copyright infringement action brought to enjoin publication of

the biography of Church of Scientology founder L. Ron Hubbard and to recover damages for infringement.

Judgment affirmed.

Chief Judge Oakes concurs in a separate opinion.

MICHAEL LEE HERTZBERG, New York, NY (Eric M. Lieberman, Nicholas E. Poser, David B. Goldstein, Rabinowitz, Boudin, Standard, Krinsky & Lieberman, P.C., New York, NY, of counsel), *for Plaintiff-Appellant*.

ROBERT M. CALLAGY, New York, NY (W. Mallory Rintoul, Mark A. Fowler, Satterlee Stephens Burke & Burke, New York, NY, of counsel), *for Defendant-Appellee*.

MINER, *Circuit Judge*:

Preface

We re-visit the doctrine of fair use in this action for copyright infringement brought to enjoin publication of the biography of Church of Scientology founder L. Ron Hubbard and to recover damages for the alleged infringement. The biography, written by Russell Miller, who is not a party to the action, is entitled: *Bare-Faced Messiah: The True Story of L. Ron Hubbard* (hereafter "the book" or "the biography"). The plaintiff in the suit, appellant here, is New Era Publications International, ApS ("New Era"),

a Danish corporation. It holds by license certain copyrights bequeathed to the Church of Scientology by Hubbard, who died in 1986. The publisher of the book, Henry Holt and Company, Inc. ("Holt"), is the defendant in the action and the appellee here. New Era's claim that the extensive reproduction of Hubbard's published and unpublished writings in the biography amounts to infringement of the copyrights it holds is met by Holt's defense that the use of the Hubbard materials is "fair" and therefore not infringing within the meaning of the Copyright Act. The district court concluded that the use of the unpublished material "cannot be held to pass the fair use test" and therefore found "that *Bare-Faced Messiah* to some degree infringes Hubbard's copyrights in some of his previously unpublished works." *New Era Publications International, ApS v. Henry Holt and Co.*, 695 F. Supp. 1493, 1524-25 (S.D.N.Y. 1988). For various reasons, however, the district court declined to issue an injunction, but instead relegated New Era to the remedy of damages. We affirm, although we conclude that laches is the sole bar to issuance of an injunction.

I.

Procedural History

This action was preceded by lawsuits commenced in 1987 to enjoin publication in England and Canada (each of these suits was dismissed for laches) and in Australia (this suit ultimately was withdrawn). Despite the fact that an attorney representing the Church of Scientology had corresponded with Holt in May of 1986 in an effort to discourage publication of the book, no action to enjoin publication was commenced in the United States until the complaint in this action was filed in the Southern District

of New York on May 4, 1985. Immediately after filing the complaint, New Era applied for a temporary restraining order.

Judge Leval, to whom this case was assigned in the district court, initially denied the temporary restraining order for laches, noting the following in a written decision dated May 13, 1988:

> Never did the plaintiff take sufficient steps to obtain a copy of the book to determine whether it differed from the books published in England, Australia, and Canada. Never did the plaintiff ask Holt when it would be published. The plaintiff did not take any legal step until May 4 [1988] when it sought the temporary restraining order. By that time, as it turned out, the defendant had published the book, having printed and packed 12,000 copies, and having sent out review copies on April 27. With the exception of 3,000 copies that a trucker had failed to collect and which were waiting on the loading dock, the first printing had been shipped beyond the publisher's control. To fill additional orders, Holt had scheduled a second print run for May 6.

New Era Publications International, ApS v. Henry Holt and Co., 684 F. Supp. 808, 809-10 (S.D.N.Y. 1988).

A week later, on May 20, 1988, after New Era agreed to post an undertaking to indemnify Holt for any "unrecoverable expenses" incurred by Holt during the period of delay, Judge Leval granted a temporary restraining order restraining distribution of the second printing of the book. According to a Stipulation signed by the parties on May 31, 1988 and approved by Judge Leval on June 3, 1988, "unrecoverable expenses" include "a pro rata share of the overhead, with respect to the 10,000 book second printing

and any books from the first printing returned to Holt, as a result of the Temporary Restraining Order issued by the Court on May 20, 1988 and incurred with respect to the advance payment to the author, and for advertising and publicity."

Thereafter, the parties proceeded with an expedited trial on submissions of evidence pertaining to the permanent injunction question. Judge Leval's opinion and order denying the injunction was issued on August 9, 1988 (amended on August 16, 1988) and, on August 11, 1988, a partial judgment was entered "dismissing plaintiff's complaint only insofar as the complaint seeks entry of a permanent injunction." The judgment recites that trial of the damages issue will not be conducted in the near future; that Holt would be "irreparably harmed" if required to await a final judgment dispositive of all claims; that Holt is entitled to a final judgment denying a permanent injunction; and that "there is no just reason for delaying entry of such judgment." *See* Fed. R. Civ. P. 54(b).

Also entered in the district court on August 11, 1988 was an order vacating the temporary restraining order but staying the vacatur for three weeks to maintain the *status quo ante* pending an application for expedited appeal. On August 30, 1988, this Court granted New Era's motion for an expedited appeal and continued the stay until oral argument. Following oral argument, on September 30, 1988, the stay was continued pending the decision of this Court.

II.

The Book

The publisher summarizes the contents of the book in a blurb printed on the book's jacket:

> *Bare-Faced Messiah*, the biography of L. Ron Hubbard, makes for extraordinary reading. From his early days as a penniless author of "pulp" science fiction stories to his mysterious end, Hubbard was often in the news, usually at odds with society, frequently in trouble with the law. Born in 1911, the son of a struggling Nebraska businessman, he led a wandering, wildly romantic youth in which his dreams and his realities often became confused.
>
> While writing for the pulps in the 1930s he claimed to have made a discovery of such philosophical and psychological importance that it would change the world. From that discovery evolved the "science" of Dianetics which prospered briefly and then foundered in a sea of debt and writs. In 1952 Hubbard founded a far more ambitious program, Scientology, a new religion which claimed to give its adepts the ability to overcome all diseases of the mind and body. . . .
>
> For nearly ten years he sailed the oceans as the commodore of his own private navy, served by nymphet messengers in hot pants who dressed and undressed him and were trained like robots to relay orders in his tone of voice.
>
> . . .
>
> His last years were as peripatetic and unsettled as his youth, and far more paranoid. In 1980, fearing arrest, he disappeared and was never seen again. He

died in January 1986 under circumstances as mysterious as his enigmatic life itself.

The tone of the book is set in the author's Introduction:

> For more than thirty years, the Church of Scientology has vigorously promoted an image of its founder, L. Ron Hubbard, as a romantic adventurer and philosopher whose early life fortuitously prepared him, in the manner of Jesus Christ, for his declared mission to save the world. The glorification of 'Ron', superman and saviour, required a cavalier disregard for facts: thus it is that almost every biography of Hubbard published by the church is interwoven with lies, half-truths and ludicrous embellishments. The wondrous irony of this deception is that the true story of L. Ron Hubbard is much more bizarre, much more improbable, than any of the lies.

The author purports to contrast factual and fictional accounts of Hubbard's life in almost every chapter of the book, drawing upon information gleaned from numerous sources: newspaper stories and other published accounts; personal interviews; letters; memoranda; records of various court proceedings; materials obtained under the Freedom of Information Act from United States government agencies; publications of the Church of Scientology; and Hubbard's own writings, published and unpublished. Hubbard was a prolific writer, and the biography contains liberal quotations from his work, particularly from his unpublished early diaries and journals.

The book proceeds in conventional chronological order, commencing in Chapter 1 ("A Dubious Prodigy") with accounts of Hubbard's ancestry and early childhood. The accounts presented by Hubbard are portrayed as exagger-

ated and untrue. For example, the book contradicts Hubbard's claims that he was descended from a French Count on his mother's side; that he grew up on an immense cattle ranch owned by his grandfather in Montana, and that he became a blood brother of the Pikuni Indians before he was ten years of age.

In Chapter 2 ("Whither did he Wander?"), the book refutes Church of Scientology publication descriptions of Hubbard's teenage travels, said to have been financed by a wealthy grandfather: up and down the coast of China several times and to Tibet (where Hubbard lived with bandits who accepted him into their way of life); in western Manchuria (where he demonstrated his horsemanship to ruling warlords); to an unnamed island in the South Pacific (where he calmed the natives by exploring a cave believed to be haunted); and in the Philippines (where he learned in one night a native language known as Igoroti).

Disputed in Chapter 3 ("Explorer Manqué") are claims made in *Mission Into Time*, a Church of Scientology publication, that Hubbard: spent four years traveling in Asia; undertook the study of nuclear physics at George Washington University in one of the first courses ever taught in that subject at an American university; directed, at the age of twenty, the Caribbean Motion Picture Expedition, which provided research for the University of Michigan and underwater films for the Hydrographic Office; and led the West Indies Mineral Survey, said to be the first complete mineralogical survey of Puerto Rico. According to the book, the truth is that Hubbard traveled in China for two months in the company of his parents during the course of a year-long stay at the United States Naval Station in Guam, where his father was assigned as a naval officer; failed the course in molecular and atomic physics

at, and never graduated from, George Washington University; started out to do research in the Caribbean on an expedition that never was completed and never produced any research that could be found at the University of Michigan or the Hydrographic Office; and spent some time in Puerto Rico but produced no known record of any mineralogical research there.

Both Chapters 2 and 3 include extensive quotations from Hubbard's unpublished Asia Diaries of 1927-1929. Some of the quotations found in these chapters are set forth in Judge Leval's comprehensive opinion and order denying the injunction sought by New Era. *See* 695 F. Supp. at 1512-13. The Diaries also are quoted at some length in the Chapter 1 accounts of Hubbard's exploits as a Boy Scout. *Id.* at 1517. Seventy-three of the 132 passages from Hubbard's unpublished writings claimed by New Era as infringing are found in the Asia Diaries. Most of the remaining fifty-nine passages are taken from letters written by Hubbard.

In later chapters the book treats with Hubbard's successes as a pulp and science fiction writer, his admission to membership in the prestigious Explorers Club, his leadership of the "Alaskan Radio-Experimental Expedition" under the Club's flag, and his 1941 commission as a reserve officer in the United States Navy. It also deals with information contradicting a number of claims made by Hubbard at various times and repeated in authorized publications: that he studied savage peoples and cultures in Central America between 1938 and 1941; that he was an experienced airplane pilot; that he salvaged the careers of Boris Karloff and Bela Lugosi as a Hollywood script writer; and that he was a seriously wounded war hero who

was awarded twenty-one medals, to identify only a few of the contradicted claims.

The book describes how Hubbard brought to light his new "science of Dianetics," first in an article in the magazine *Astounding Science Fiction* and then in a book entitled *Dianetics, The Modern Science of Mental Health*, which became a bestseller. In Dianetics, Hubbard claimed to have found "[t]he hidden source of all psychosomatic ills and human aberration" and to have developed advanced techniques to cure mental and physical illnesses. The "new science" gained a large following, the "Hubbard Dianetic Research Foundation" was formed, and Hubbard developed a lucrative program for the training of auditors (practitioners) in Dianetic Techniques.

The evolution of Dianetics into Scientology and of Scientology into a religion is fully recounted in the book. As founder of the Church of Scientology, Hubbard is depicted as a charlatan and poseur whose strange religious theories and practices were designed for the financial aggrandizement of the Church, and ultimately of Hubbard himself. *See Foley v. Commissioner*, 844 F.2d 94, 95-96 (2d Cir. 1988). Although Scientology attracted many adherents throughout the world, Hubbard's activities generated trouble with several governments, including the government of the United States, which challenged the Church's claim of entitlement to tax-exempt status. *See Church of Scientology of California v. Commissioner*, 823 F.2d 1310 (9th Cir. 1987), *cert. denied*, 108 S. Ct. 1752 (1988). Having accumulated enormous amounts of money, according to the narrative,

> [in] 1967, L. Ron Hubbard raised a private navy, appointed himself Commodore, donned a dashing

> uniform of his own design and set forth on an extraordinary odyssey, leading a fleet of ships across the oceans variously pursued by the CIA, the FBI, the international press and a miscellany of suspicious government and maritime agencies.

Hubbard was accompanied in his travels on the high seas by his wife, children and a number of associates and assistants. Although he resigned as President of the Church of Scientology, he continued to conduct its affairs from his base at sea.

Hubbard's surreptitious return to the United States is reported at Chapter 20 ("Running Aground") and his subsequent excursion into producing films with Scientology themes is described at Chapter 21 ("Making Movies"). Also described in the latter chapter are the convictions on guilty pleas of nine Scientologists, including Hubbard's wife, for offenses involving the burglary of government offices and the theft of government documents. The book intimates that Hubbard's wife "took the rap" for a scheme that Hubbard set in motion to purge government records of matter unfavorable to him and to the Church of Scientology. Chapter 22 ("Missing, Presumed Dead") concludes the book with an account of Hubbard's mysterious demise.

The book draws extensively upon the published writings of Hubbard in Dianetics and Scientology as well as upon various bulletins Hubbard issued to his followers. Judge Leval found sixty-nine instances of the use of published material in the biography. Since he found all but three of these uses noninfringing or "fair," the opinion of the district court focuses on the use of previously unpublished materials.

III.

District Court Opinion

Applying the rule of fair use established in the copyright law, 17 U.S.C. § 107, and explicated by the Supreme Court in *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985), and by this Court in *Salinger v. Random House, Inc.*, 811 F.2d 90 (2d Cir.), *cert. denied*, 108 S. Ct. 213 (1987), to the unpublished Hubbard writings quoted in the book under examination, Judge Leval

> conclude[s] that there is a body of material of small, but more than negligible size, which, given the strong presumption against fair use of unpublished material, cannot be held to pass the fair use test

and therefore finds,

> under mandate of the *Salinger* opinion, that *Bare-Faced Messiah* to some degree infringes Hubbard's copyrights in some of his previously unpublished works.

695 F. Supp. at 1524-25.

The district court's determination is arrived at after a close examination of the statutory fair use factors, which are seen as a means of resolving "the conflict between the justification for copying in serving the objective of public education (in the broadest sense) and the copyright owner's entitlement to reap the profits of labor and talent invested in creative works." 695 F.2d at 1500. Examining the nature of the copyrighted work, the second statutory fair use factor, 17 U.S.C. § 107(2), the district court opinion reflects on the Supreme Court's observation that "the scope of fair use is narrower with respect to unpublished

works," *Harper & Row*, 471 U.S. at 564, on our interpretation that "[n]arrower 'scope' seems to refer to the diminished *likelihood* that copying will be fair use when the copyrighted material is unpublished," *Salinger*, 811 F.2d at 97, and on our pronouncement that "[unpublished] works normally enjoy complete protection against copying any protected expression," *id.* The district court, concluding that "diminished likelihood" is not the same as "impossibility" and that "normally" does not mean "inevitably," concludes that one "who purports to make a fair use of unpublished copyrighted matter must make a particularly compelling demonstration of justification, upon full consideration of the relevant fair use factors." 695 F. Supp. at 1503-04. According to the district court, Holt has made the necessary showing "[a]s to the great majority of items" by demonstrating "a powerfully compelling fair use purpose." *Id.* at 1523.

Turning to the first statutory fair use factor, the purpose and character of the use, 17 U.S.C. § 107(1), the district court opinion first reviews the overall purpose and character of the work and then addresses the fair use purposes of individual passages. As to the former, the court concludes that the biography is "a serious book of responsible historical criticism," and therefore eligible for fair use consideration despite "defendant's profit-making objective." *Id.* at 1507. As to the latter, the court finds a powerfully compelling fair use purpose in using Hubbard's own words to reveal Hubbard's character traits and the bizarre quality of his ideas.

According to the opinion, verbatim quotation is necessary to demonstrate Hubbard's dishonesty in the accounts he gave of his early life as put forward by the Church of Scientology. "It is incompatible with the ends of fair

research and criticism to accuse of dishonesty without being permitted to specify what were the dishonest words." *Id.* at 1510. Specific passages must be set out, it is said, to show the subject's boastfulness, pomposity, grandiosity, pretension and self-importance, because "[i]t is the subject's conception of himself that the biographer seeks to convey." *Id.* at 1512. Hubbard's paranoia supposedly is demonstrated by certain letters and Church bulletins. The Asia Diaries are quoted "in mockery, to show Hubbard's bigotry, bias and coarse lack of taste." *Id.* at 1513. Cruelty and disloyalty are displayed in two letters having to do with a bigamous marriage, and the employment of Hubbard's words in this instance is said to "serve[ ] a strong fair use purpose." *Id.*

The book quotes from a letter written by Hubbard to the FBI accusing his estranged wife of being a communist, and from bulletins written by Hubbard urging his followers to "attack" those who oppose them, "to illustrate Hubbard's aggressiveness and vicious scheming tactics against perceived enemies." *Id.* Cynicism is illustrated by a letter to a confidant discussing Scientology's financial potential and in a lecture praising the advantages of deceit. Excerpts taken from *Dianetics: The Modern Science of Mental Health*, a Hubbard work that remains a best seller, *The History of Man*, a book establishing the foundations of Scientology, and an unpublished letter boasting of Hubbard's ability to heal are said to provide examples of derangement, insanity and bizarre pseudo-science. There is a compelling fair use purpose as to each of the excerpts, according to the opinion, because "[t]he biographer/critic should not be required simply to express . . . conclusions without defending them by example." *Id.* at 1517. The opinion views with approval the lifting of various passages from earlier works "to illustrate Hubbard's egocentric

self-perception in his early diaries," *id.*, and to "convey a capsule characterization of the style of Hubbard's earliest fiction writing." *Id.* at 1518.

As to the first statutory factor, then, the opinion concludes that the "great majority" of quotations in the book demonstrate "a powerfully compelling fair use purpose that could not be accomplished without use of the subject's own words" but that "in a few instances of quotation of unpublished material," there is a "much less compelling fair use justification." *Id.* at 1520. The opinion observes that the passages involved in the "few instances" referred to "undoubtedly play a role in filling out the biographer's portrait" and may "fall short of demonstrating a sufficiently powerful claim of a fair use purpose to satisfy the test of 'narrower' scope for unpublished material." *Id.*

Examining the third statutory factor, amount and substantiality of the portion used in relation to the copyrighted work as a whole, 17 U.S.C. § 107(3), the district court finds New Era's count of 201 instances of infringement exaggerated but concludes that "there remains a substantial amount of taking of protected expression sufficient to raise a serious problem of copyright infringement if the takings are not protected by fair use." *Id.* at 1522. In the opinion of the district court the fourth statutory factor, effect of the use upon the potential market value of the copyrighted work, 17 U.S.C. § 107(4), said by the Supreme Court to be "the single most important element of fair use," *Harper & Row*, 471 U.S. at 566, cuts in favor of Holt. Because the book "is a hostile, critical biography using fragmentary extracts to demonstrate critical conclusions about" Hubbard, one interested in reading

Hubbard's writings would not be dissuaded by the extracts from purchasing his larger works. *Id.* at 1523.

The ultimate conclusion of the opinion as to fair use is that the use of published materials is "fair" but that the book is infringing in "some degree" in respect of unpublished materials. That conclusion is arrived at with some reluctance:

> As to the book overall, were it not for the ruling of the Court of Appeals in *Salinger*, I would conclude that fair use has been adequately demonstrated. . . . Here the demonstration of fair use is far more compelling. Many of the takings of Salinger's expression were for the purpose of enlivening that text with Salinger's expressive genius. . . . Hubbard's expression is taken primarily to show character flaws in a manner that cannot be accomplished without use of his words.

Id. at 1524. Nevertheless, the district court identifies forty-four passages from unpublished works "as to which a fair use purpose is not convincingly shown," leading it to observe: "I cannot conclude that the Court of Appeals would accord fair use protection to all of Miller's quotations, or that the biography as a whole would be considered non-infringing." *Id.*

Notwithstanding its recognition of the rule that injunctions generally are granted to prevent copyright infringement, the district court has "no difficulty concluding that this is one of those special circumstances in which the interests of free speech overwhelmingly exceed the plaintiff's interest in an injunction." *Id.* at 1528. Perceiving that *Salinger* creates a daunting obstacle to a fair use defense against the use of unpublished materials, the district court discerns a need to "focus with new intensity on

the potential conflict between the copyright and freedom of speech." *Id.* at 1526. Here, according to the opinion of the district court, an injunction would suppress an interesting study of an important figure, with resultant injury to the public interest in free speech. Under such circumstances, an injunction should be denied, since "[a]n award of damages for profits . . . can protect the copyright holder with far less injury to the public interest in freedom of speech than an injunction." *Id.* at 1527. The permanent injunction sought here is denied by the district court because of the prohibitive expense and waste involved in republishing after deletion of infringing passages, the public's deprivation of an important historical study and the failure of an injunction to serve any copyright interest, as well as the significant injury to free speech. *Id.* at 1528.

IV.

Analysis

We agree that a permanent injunction should be denied, but for a reason wholly different from any of those set forth in the district court's opinion. Moreover, we disagree with a great deal of what is said in the opinion.

First, we do not share some of the district court's views respecting the proper application of the four fair use factors in this case. It seems clear to us that the first statutory fair use factor, purpose of the use, weighs in favor of Holt, while the remaining three factors, nature of the copyrighted work, amount and substantiality of the portion used, and effect of the use upon the market, all weigh in favor of New Era. The book under examination here is no different from the *Salinger* biography in its statutory fair use purpose classification: "criticism," "scholarship"

or "research." *See Salinger*, 811 F.2d at 96. Consonant with *Salinger*, "we agree with the District Court that the first fair use factor weighs in [Holt's] favor, but not that the purpose of [its] use entitles [it] to any special consideration." *Id.* at 97. The tenor of the district court opinion is that special consideration should be afforded to Holt, to the extent that Hubbard's words are quoted to prove some traits of character either at odds with his public image or especially intriguing to the reader. The district court sees a significant distinction in purpose between the use of an author's words to display the distinctiveness of his writing style and the use of an author's words to make a point about his character, finding far greater justification in the latter than in the former. We find such a distinction unnecessary and unwarranted in applying the statutory fair use purpose factor. As long as a book can be classified as a work of criticism, scholarship or research, as can the book here, the factor cuts in favor of the book's publisher, whether the copyrighted matter is taken from a literary lion like J.D. Salinger or a purported prophet like L. Ron Hubbard.

The district court opinion adds a gloss to the second fair use factor—nature of the copyrighted work—that we think should be removed. While we made it clear in *Salinger* that unpublished works normally enjoy complete protection, the district court would parse this factor also with a distinction. In this instance the distinction is between the use of protected expression to "enliven" text and the use of protected expression to communicate "significant points" about the subject. We see no need for such an approach. Where use is made of materials of an "unpublished nature," the second fair use factor has yet to be applied in favor of an infringer, and we do not do so here. "Since the copyrighted letters are unpublished, the

second factor weighs heavily in favor of [New Era]." *Salinger*, 811 F.2d at 97.

We agree with the district court's analysis of the third fair use factor and with its finding that a substantial amount of taking remains even after correcting for New Era's overcounting. Our analysis of the fourth fair use factor, effect of the copyrighted work, differs substantially from that of the district court. Since the district court accepted New Era's contention that it would commission an authorized biography of Hubbard and that all Hubbard's writings, published and unpublished, would be made available for that purpose, it is difficult to conclude, as does the district court, that the book published by Holt would have no effect on the market for New Era's forthcoming book. We disagree with Judge Leval on the application of the fourth fair use factor, as we did in *Salinger*, finding here as we did there that "some impairment of the market seems likely" and that "[t]he fourth fair use factor weighs slightly in [the copyright owner's] favor." *Id.* at 99.

Following an exhaustive analysis of the doctrine of fair use, the district court finds in any event that a small, but more than negligible, body of unpublished material cannot pass the fair use test, given the strong presumption against fair use of unpublished work. Although we would characterize the use here as more than "small," it makes no difference insofar as entitlement to injunctive relief is concerned. Since the copying of "more than minimal amounts" of unpublished expressive material calls for an injunction barring the unauthorized use, *id.* at 96, the consequences of the district court's findings seem obvious. Nevertheless, the district court denied an injunction for several reasons, one being the existence of special circum-

stances in which free speech interests were said to outweigh the interests of the copyright owner. We are not persuaded, however, that any first amendment concerns not accommodated by the Copyright Act are implicated in this action. Our observation that the fair use doctrine encompasses all claims of first amendment in the copyright field, *Roy Export Co. Establishment v. Columbia Broadcasting System, Inc.*, 672 F.2d 1095, 1099-100 (2d Cir.), *cert. denied*, 459 U.S. 826 (1982), never has been repudiated. *See, e.g., Harper and Row*, 471 U.S. at 557. An author's expression of an idea, as distinguished from the idea itself, is not considered subject to the public's "right to know." W. Patry, The Fair Use Privilege in Copyright Law 466 (1985).

Nor are we persuaded by any of the other reasons given by the district court for denying an injunction following its rejection of the fair use defense and its finding of infringement. The public would not necessarily be deprived of an "interesting and valuable historical study," 695 F. Supp. at 528, but only of an infringing one. The "prohibitive" expense of republication after deletion of improperly included material is without more an inevitable consequence of breach of copyright, and, contrary to the view of the district court, a "significant copyright interest" certainly would be served by an injunction. The Copyright Act is, after all, a device for carrying into effect a Congressional power firmly embedded in our Constitution—"To promote the . . . useful Arts, by securing for limited Times to Authors . . . the exclusive Right to their respective Writings . . . ." U.S. Const. Art. I, Sec. 8.

Nevertheless, equitable considerations dictate denial of injunctive relief in this action. The prejudice suffered by Holt as the result of New Era's unreasonable and inexcus-

able delay in bringing the action invokes the bar of laches. *See Goodman v. McDonnell Douglas Corp.*, 606 F.2d 800, 804 (8th Cir. 1979), *cert. denied*, 446 U.S. 913 (1980). In initially denying a temporary restraining order, the district court found that New Era had been aware since 1986 that the book would be published in the United States. Despite this knowledge, and despite lawsuits commenced in 1987 to enjoin publication in England, Canada and Australia, New Era failed to compare Holt's book with the books published abroad; failed to inquire of Holt as to the planned date of publication in this country; and failed to take any steps to enjoin publication of the book until it sought a restraining order in May of 1988. At the time of the TRO application, 12,000 copies of the book already had been printed, packed and (except for 3,000 copies left on a loading dock) shipped. Review copies had been sent out and a second press run was scheduled for May 6. The district court, in its opinion denying the TRO, commented on the delay and the prejudicial nature of the delay:

> [Holt] had made clear since Mr. Rintoul's defiant letter in the summer of 1986 that it had no interest either in cooperating with [New Era] or in entering into discussions of infringements. There is no good reason why [New Era] should have waited until May [1988] to seek provisional orders of restraint. An earlier application would have permitted the court to explore the issues of law without causing [Holt] catastrophic harm.

684 F. Supp. at 810.

If New Era promptly had sought an adjudication of its rights, the book might have been changed at minimal cost while there still was an opportunity to do so. At this point, however, it appears that a permanent injunction would

result in the total destruction of the work since it is not economically feasible to reprint the book after deletion of the infringing material. 695 F. Supp. at 1528. Such severe prejudice, coupled with the unconscionable delay already described, mandates denial of the injunction for laches and relegation of New Era to its damages remedy. *See West Pub. Co. v. Edward Thompson Co.*, 176 F. 833, 838 (2d Cir. 1910); *Hayden v. Chalfant Press, Inc.*, 177 F. Supp. 303, 307 (S.D. Cal. 1959), *aff'd*, 281 F.2d 543 (9th Cir. 1960); *Blackburn v. Southern California Gas Co.*, 14 F. Supp. 553, 554 (S.D. Cal. 1936).

Epilogue

The judgment of the district court is affirmed. The stay heretofore granted by this Court is vacated. The mandate shall issue forthwith.

OAKES, *Chief Judge* (concurring):

While I agree that the denial of an injunction should be affirmed and hence concur, it seems to me unnecessary for the majority opinion to do anything other than affirm the denial of an injunction for laches (even though I would only remand were that the only issue). While I do not completely agree with Judge Leval's fair use analysis, it seems to me the majority unnecessarily goes out of its way to take issue with Judge Leval's opinion, *New Era Publications Int'l, ApS v. Henry Holt and Co.*, 695 F. Supp. 1493 (S.D.N.Y. 1988). Doing so, even by way of dictum, tends to cast in concrete *Salinger v. Random House, Inc.*, 811 F.2d 90 (2d Cir.), *cert. denied*, 108 S. Ct. 213 (1987). *Salinger* is a decision which, even if rightly decided on its

facts, involved underlying, if latent, privacy implications not present here by virtue of Hubbard's death. *Salinger*'s language, as here applied, confines the concept of fair use and prevents necessary flexibility in fashioning equitable remedies in copyright cases. I thought that *Salinger* might by being taken literally in another factual context come back to haunt us. This case realizes that concern. 'Tis the more the pity, since the majority's "disagree[ment] with a great deal of [Judge Leval's] opinion," majority op. at 2879, can in a real sense be considered dictum.

Ordinarily, in the interests of brevity I would confine this concurrence to my points of disagreement with the majority, relegating to an appendix my very limited disagreement with Judge Leval on his fair use analysis. But because "[f]air use is a mixed question of law and fact," *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 560 (1985), I must restate a certain amount of background information.

I. Background

The book, *Bare-Faced Messiah*, is a biography of sorts, largely based upon Freedom of Information Act materials from U.S. Navy, Federal Bureau of Investigation, Central Intelligence Agency and other United States agency records; numerous interviews with Scientologists, friends, enemies, and relatives of Hubbard; newspaper stories and published materials about the man; Hubbard's own extensive writings, involving literally millions of words, published and unpublished; and court records and testimony in various tax, bankruptcy, divorce, and other proceedings. Like Judge Leval, I believe it unnecessary to assess the accuracy of Miller's reports or the justification for his conclusions. Nonetheless, there is no reason, and I do not

see the majority doing otherwise, to quarrel with the judge's finding that the book "appears to make responsible use of its material" and hence is "a serious work of criticism and comment on a highly newsworthy subject." 695 F. Supp. at 1506. As such, it is properly qualified for fair use consideration as a work of "criticism, comment, news reporting, teaching . . . , scholarship, or research," under 17 U.S.C. § 107.

It bears mention that *Messiah* gives due credit in the preface to a dedicated member of the Church of Scientology for more than a decade, one Gerry Armstrong, who, when given permission to research an official biography of Hubbard, is said to have gone through six filing cabinets of material, only to become totally disillusioned with contradictory material on Hubbard's family background, naval and academic careers, fraudulent business background, tax evasion and evasion of the law. Armstrong, who was unsuccessfully sued by the Church, *Church of Scientology of California v. Armstrong*, No. C. 420153 (Super. Ct. Cal. June 20, 1984), is quoted as concluding that Hubbard was "a con man." *Messiah* at 6.

II. Judge Leval's Opinion

For examples of *Messiah*'s use of copyrighted material, I would refer the reader to Judge Leval's comprehensive analysis of New Era's claims. *See* 695 F. Supp. at 1507-22. A long appendix to the judge's opinion provides all of the passages in *Messiah* which New Era claims infringed its copyright, the sources of those passages, and the judge's rulings on each passage. The appendix itself was not published in the Federal Supplement, and although I will refer to the appendix occasionally, I do not consider it necessary to publish it here.

The first twenty-two pages of the Leval appendix catalog sixty-nine quotations or references to published materials. Of these, with only three exceptions,[1] the judge found either that there was no infringement because the quotations merely reported facts or ideas and the paraphrases did not use Hubbard's manner of expression, or that there was a strong fair use justification. Fair use was justified, Judge Leval said, because some of these passages embodied false mythology about Hubbard; Hubbard's dishonesty; his boastfulness, pomposity, or pretension; his paranoia; his snobbery, bigotry, disdain for Asians, or dislike of the Orient; his cruelty or disloyalty; his aggressiveness, viciousness, or scheming tactics; his cynicism; or his derangement, insanity, or bizarre pseudo-science. Judge Leval found that other passages were necessary to render Hubbard's ideas accurately or to display his early writing style or presentation of himself. Judge Leval con-

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1 The three exceptions, where quotations of Hubbard's published writings were found to be not fairly used, are de minimis or insignificant under the other fair use factors such as marketability. *Warner Bros., Inc. v. American Broadcasting Cos.*, 720 F.2d 231, 242 (2d Cir. 1983); *Time Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130, 146 (S.D.N.Y. 1968); *Meredith Corp. v. Harper & Row, Publishers, Inc.*, 378 F. Supp. 686, 689 (S.D.N.Y.), *aff'd*, 500 F.2d 1221 (2d Cir. 1974). (Judge Leval did not refer directly to these three passages, but presumably he too thought that they were de minimis.) The first two passages are from a 1960 Hubbard Communications Office Bulletin, the first quoting the clause "a person named Richard M. Nixon" and the second reading as follows: "We want clean hands in public office in the United States. Let's begin doggedly denying Nixon the presidency no matter what his Secret Service tries to do to us now. . . . He hates us and has used what police force was available to him to say so. So please get busy on it." The third consists of two sentences quoted from Hubbard's book, *Mission Into Time*: "Hearing of L. Ron Hubbard's plans for further exploration and research into, among other things, past civilizations, many Scientologists wanted to join him and help. They adopted the name 'Sea Organization.' " With respect to Judge Leval, much of this last quotation could well have been treated as noninfringing because it involves fact.

sidered all of these reasons for quoting Hubbard directly because they have bearing on "the purpose and character of the use." 17 U.S.C. § 107(1). In setting forth these different categories of fair use, Judge Leval referred to the statute, which permits use "*for purposes such as* criticism, comment, news reporting, teaching . . . , scholarship, or research." *Id.* § 107 (emphasis added to show statutory terms not all inclusive); *see* 695 F. Supp. at 1505. The opinion also notes that "[a]lthough plaintiff does not concede justification for the quotations from the previously published works, it no doubt recognizes that defendant's claims of fair use as to those materials are extremely powerful." 695 F. Supp. at 1498. New Era's fire on appeal is not directed at Judge Leval's findings on the published material, but its brief does mention that fair use does not extend to multiple, excessive, or less important illustrations of Hubbard's characteristics, as Judge Leval's opinion itself recognized. *See id.* at 1524. New Era does not, however, support this suggestion with specific examples.

This appeal instead concerns quotations from the *unpublished* Hubbard writings. Judge Leval's appendix lists 132 passages from unpublished works which New Era claims infringed its copyright. Seventy-three of these came from Hubbard's Asia Diaries written in 1927-29, when Hubbard was a young man. Most of the Asia Diaries passages quoted appear in chapters 2 and 3 of *Messiah*. Most of the remaining fifty-nine passages from unpublished works came from letters: Six were in one letter (to his first wife) dated July 21, 1939; twelve were in four letters to a follower, Helen O'Brien; one was in an internal memo to a press officer; two were in a letter (apparently dated 1971) to his daughter Alexis disavowing that he was her father; and the rest were in letters sent to the Secretary of War offering Hubbard's services in World War II, to the FBI

(mainly deprecating his second wife), to the VA seeking to upgrade his World War II pension, to an Alaskan bank cashier explaining why Hubbard had not paid a note, and to the FBI or the President of the United States seeking to ingratiate himself or Scientology. There is also a quotation from Hubbard's proposed Constitution for the Nation of Rhodesia and a paraphrase of a dispatch to Hubbard's Scientology followers at Saint Hill, England.

Judge Leval found that 91 of the 132 passages from unpublished works were fairly used or did not infringe upon the unpublished Hubbard writings and that the remaining 41 were unfairly used. *The Asia Diaries were the source of all but four of those unfairly used passages.* Set out in the margin is a table which summarizes *Messiah*'s use of Hubbard's writing and Judge Leval's findings.[2]

Judge Leval's principal conclusions on the unpublished works may be summarized as follows:

1. *The first conclusion. Harper & Row, supra,* and *Salinger, supra,* do not preclude a finding of fair use as to unpublished materials, but they do argue strongly against it and place a burden on the user to "establish a highly

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2 Summary of *Bare-Faced Messiah*'s use of published and unpublished materials and of Judge Leval's findings

	Noninfringement or fair use found by Judge Leval	Unfair use found by Judge Leval	Totals
Use of published materials	66	3	69
Use of unpublished materials	91	41	132
(of which: from Asia Diaries)	(36)	(37)	(73)
Totals	157	44	201

convincing case in favor of fair use." 695 F. Supp. at 1523. With this the majority cannot and does not disagree.

2. *The second conclusion*. Holt met its burden in this case as to the great majority of unpublished materials. *Salinger* and Judge Leval's own *Craft v. Kobler*, 667 F. Supp. 120 (S.D.N.Y. 1987), cases in which the biographer "has used the lively expression of his subject to enliven the biography," 695 F. Supp. at 1523, can be distinguished from this case, where the personal traits of Hubbard could not be shown without using the subject's own words, because the value of the passages quoted in *Messiah* "lies precisely in the subject's choice of words—not as a matter of literary expression—but for what the choice of words reveals about the subject." *Id.* at 1524. A prime example is the quotation from Hubbard's Asia Diaries: "The trouble with China is, there are too many chinks here."[3] The majority apparently rejects this approach of Judge Leval; if the work is unpublished the majority considers under the second fair use test—the nature of the unpublished work—that protection follows as of course. Majority op. at 2880. I disagree.

3. *The third conclusion*. As to the book overall, Judge Leval found that fair use was adequately demonstrated,

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3 [A]s to Hubbard's sentence, "The trouble with China is, there are too many Chinks here," there is no fact reported in it which the biographer has an interest in narrating. What is interesting is that Hubbard said it.

Nor should a biographer/critic be limited to stating her conclusions about the subject's choice of words. It would be preposterous to restrict Miller to writing something like, "Hubbard used a vulgar derogatory epithet exhibiting snobbish bigoted disdain for the Chinese." That would be at once unfair to the biographer, the subject, and the readership, which can reasonably demand to know "What did he say? Let us be the judge of whether it was vulgar, snobbish or bigoted."

695 F. Supp. at 1524 (citation omitted).

far more compellingly than in *Salinger* (which reversed Judge Leval's district court opinion, *Salinger v. Random House, Inc.*, 650 F. Supp. 413 (S.D.N.Y. 1986)). But, given *Salinger*, and its strong presumption against finding fair use for unpublished materials, Judge Leval went on to concede, perhaps *Messiah* uses too many examples or in some cases insufficiently effective or important ones to demonstrate Hubbard's characteristics. This required a finding of "some degree" of infringement. 695 F. Supp. at 1524-25. The majority agrees though saying that the use here was "more than 'small.' " Majority op. at 2881. I totally disagree. Out of the millions of Hubbard's words the use was infinitesimal. In comparison to *Messiah* as a whole, the unfair use was tiny, indeed insignificant.

4. *The fourth conclusion*. While an injunction ordinarily issues to prevent copyright infringement, Judge Leval found this case "drastically different," since (1) *Messiah* was not an example of "profiteering by appropriating the creative effort and genius of another" or other "opportunistic free riding"; (2) the infringing portions are "insignificant"; and (3) an injunction would "diminish public knowledge," so First Amendment concerns are implicated. *Id.* at 1525. Therefore, Judge Leval concluded, all of the circumstances of this case required the denial of a permanent injunction. The majority disagrees. Majority op. at 20-21.[4] I totally disagree with the majority.

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4 I note that Judge Leval, in so holding, declined to rely on two factors alluded to in the briefs on appeal. First, Judge Leval did not rely on the fact that most of the unpublished materials here at issue—including the Asia Diaries—became part of a court record and in that sense were published in the California Superior Court litigation in which the Church sought to recover them from its member Armstrong

III. Discussion

A. Fair Use Doctrine

I need not here review the background of the defense of fair use. There is a very good book on the subject, one that has been cited by the United States Supreme Court and is referred to by the majority. *See* W. Patry, *The Fair Use Privilege in Copyright Law* (1985) (hereinafter Patry);

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who it claimed had taken them without permission. Judge Leval decided that any display of those materials in the California litigation was over the Church's objection and that, as a matter of principle, being forced to sacrifice a right in order to bring a lawsuit to enforce it would make the right chimerical. 695 F. Supp. at 1500 n.3. An uncontroverted affidavit in the record provides further support for Judge Leval's position: for all practical purposes the documents in the California case were at almost all times under seal, subject to court order, not copied and ultimately returned to the Church after the settlement of Armstrong's cross-claim against the Church.

Second, Judge Leval did not rely on the fact that, as New Era argued in the district court, the private nature of the Hubbard documents should favor a finding of infringement. He pointed out that "the protection of privacy is not the function of our copyright law." *Id.* at 1504. While an action under state law for a violation of the right of privacy is not preempted by the Copyright Act, such a right is not available once the subject of the publication is deceased, particularly where the writer was a public figure like Hubbard. *Id.* Case law supports Judge Leval's view that a person's privacy right terminates at death. *Cordell v. Detective Publication, Inc.*, 419 F.2d 989, 990-91 (6th Cir. 1969); *Maritote v. Desilu Productions, Inc.*, 345 F.2d 418, 419 (7th Cir.), *cert. denied*, 382 U.S. 883 (1965); *United States v. Amalgamated Life Ins. Co.*, 534 F. Supp. 676, 679 (S.D.N.Y. 1982); *Meeropol v. Nizer*, 381 F. Supp. 29, 37 (S.D.N.Y. 1974); *aff'd in relevant part*, 560 F.2d 1061 (2d Cir. 1977), *cert. denied*, 434 U.S. 1013 (1978).

If, as some commentators have suggested, e.g., Note, *Fair Use of Unpublished Materials in the Second Circuit: The Letters of the Law*, 54 Brooklyn L. Rev. 417, 457-60 (1988), tacit concerns for Salinger's privacy in some way informed the *Salinger* opinion, those concerns are not present here. On privacy and the law of copyright, see Judge Newman's informative Manges lecture, in 12 Colum.-VLA J.L. & Arts 459, 460 n.2 (1988), refuting the commentators' suggestion.

Harper & Row, 471 U.S. at 554. The leading treatise covers the fair use defense in depth. *See* 3 *Nimmer on Copyright* § 13.05, at 13-62.4 to -129 (1988) (hereinafter *Nimmer*). The Copyright Act itself lists four non-exclusive factors—I emphasize non-exclusive—to consider in this inquiry. These include, of course, the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the portion used in relation to the copyrighted work as a whole, and the effect of the use upon the potential market for or value of the copyrighted work. 17 U.S.C. § 107 (1982). Section 107 requires a case-by-case determination whether a particular use is fair. *Harper & Row*, 471 U.S. at 549. Fair use is an "equitable rule of reason." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 448 & n.31 (1984) (quoting from H.R. Rep. No. 94-1476, at 65 (1976)); *see also Harper & Row*, 471 U.S. at 551 (emphasizing the "equitable nature" of the fair use doctrine). The doctrine "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." 471 U.S. at 550 n.3 (quoting *Iowa State Univ. Research Found., Inc. v. American Broadcasting Cos.*, 621 F.2d 57, 60 (2d Cir. 1980)).

Because *Salinger* is not the beginning and the end of fair use law, previous Second Circuit cases involving biographies, public figures and public information do, I think, need reference. *Rosemont Enterprises, Inc. v. Random House, Inc.*, 366 F.2d 303 (2d Cir. 1966), *rev'g* 256 F. Supp. 55 (S.D.N.Y.), *cert. denied*, 385 U.S. 1009 (1967), involved a biography of Howard Hughes and allegations that Hughes was attempting to suppress unfavorable publicity. After learning that Random House was considering publication of a biography, Hughes granted a friendly

Nevada corporation, Rosemont Enterprises, Inc., an exclusive contract to publish and sell his authorized biography, Rosemont then purchased the copyrights to articles about Hughes that had appeared in *Look* magazine in 1954. After Random House published its biography, Rosemont brought suit for the infringement of the *Look* articles, claiming that the *Look* articles were copied at least forty-one times. 256 F. Supp. at 61. The district court found that the taking was substantial in quantity and quality and granted a preliminary injunction. *Id.* at 64, 68. This court reversed in an opinion by Judge Moore:

> Whether the privilege may justifiably be applied to particular materials turns initially on the nature of the materials, e.g., whether their distribution would serve the public interest in the free dissemination of information and whether their preparation requires some use of prior materials dealing with the same subject matter.

366 F.2d at 307. That is to say, the second use must serve the public interest and must require use of the original work. *Cf. Marvin Worth Prods. v. Superior Films Corp.*, 319 F. Supp. 1269, 1275 (S.D.N.Y. 1970) (film did not need to use books on life of Lenny Bruce, and use did not serve public interest; *Rosemont* distinguished).[5]

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5 Mention should also be made of the "concurring" opinion in *Rosemont* of Chief Judge Lumbard—an opinion joined by Judge Hays—which looked to the equitable doctrine of clean hands in light of Hughes' alleged attempt to suppress unfavorable biographies, 366 F.2d at 311-13.

Judge Leval did not consider the doctrine of unclean hands, though the English trial court which denied an interim injunction sought by the Church of Scientology against *Messiah*'s author and Penguin Books said that the Church's litigation was "oppressive" and "not *bona fide* launched to protect any legitimate interest of the church in

Time Inc. v. Bernard Geis Associates, 293 F. Supp. 130 (S.D.N.Y. 1968), involved the famous Zapruder film of the assassination of President Kennedy. A book published by Bernard Geis Associates, *Six Seconds in Dallas*, used charcoal sketches of the Zapruder frames, then owned by *Life* magazine, which had improperly been photographed by a *Life* employee who wrote the book. The district court emphasized the strong public interest in making available the fullest information about the murder of President Kennedy, 293 F. Supp. at 146, but may not have properly evaluated the potential economic harm to the owner of the copyright in granting summary judgment to the defendants, *see* Patry at 98-100.

Meeropol v. Nizer was a series of cases brought by the sons of Ethel and Julius Rosenberg to restrain Louis Nizer's book, *The Implosion Conspiracy*. In the first *Meeropol v. Nizer*, 361 F. Supp. 1063 (S.D.N.Y. 1973), Judge Tyler denied a motion to restrain Nizer pendente lite from infringing upon a claimed copyright in the Rosenbergs' letters which had been published in a 1953 book, but which had been out of print for nearly twenty years. The court cited *Rosemont*'s public interest and necessity tests. *Id.* at 1067-68. It found a continuing public interest

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preserving confidentiality in information contained in Mr. Miller's biography." *Church of Scientology of California v. Miller*, slip op. at 16 (Ch. Oct. 9, 1987), *aff'd*, Ch. 1986 C. No. 6140 (C.A. Oct. 22, 1987). Were appellants to have prevailed on this appeal, the allegations presented in the affidavit of W. Mallory Rintoul, Esq., the Secretary and General Counsel of Henry Holt and Company, Inc., in the joint appendix at 883 with attached materials, would in my opinion have called for an examination of the "clean hands" of appellants. This, like the majority's consideration of laches, necessarily follows from the fact that New Era sought injunctive relief; these are *equitable* defenses to an *equitable* remedy, sought in connection with an *equitable* doctrine.

in the Rosenberg case, that the letters were important to any serious book on the subject, and that the selections from the letters were used "with discretion and with demonstrable purpose to illustrate, from an historical and legal point of view, the post-conviction appeals and petitions for clemency which were filed by and for Mr. and Mrs. Rosenberg." *Id.* at 1068. An appeal was taken, but apparently dropped, *see Meeropol v. Nizer*, 417 F. Supp. 1201, 1203 n.1 (S.D.N.Y. 1976), *aff'd in part, rev'd in part*, 560 F.2d 1061 (2d Cir. 1977), *cert. denied*, 434 U.S. 1013 (1978).

On an expanded record in 1976, the Meeropols' supplemental complaint was heard on a motion by defendants for summary judgment. *Id.* at 1203. Judge Gagliardi held, not altogether persuasively to some, *see* Patry at 79-80:

> [C]ourts in recent years have come to recognize that there are occasionally situations in which the copyright holder's interest in a maximum financial return must occasionally be subordinated to the greater public interest in the development of arts, science, and industry.

417 F. Supp. at 1206. Our court reversed, finding that fair use was not established as a matter of law and that genuine issues of fact existed which precluded summary judgment. These issues were the purposes for which Nizer used quotations from the Rosenberg letters and the effect of that use upon the future market for the letters. 560 F.2d 1061, 1070 (2d Cir. 1977), *cert. denied*, 434 U.S. 1013 (1978). Judge Smith's opinion for this court stated that the inquiry on remand should determine "whether or not the Rosenberg letters were used primarily for scholarly, historical reasons or predominantly for commercial exploitation." *Id.* at 1069. The key issue was "whether the

defendant's work tends to diminish or prejudice the potential sale of plaintiff's work." *Id.* at 1070 (fact that letters quoted were out of print "does not necessarily mean that they have no future market which can be injured"). Thus, *Meeropol* qualified *Rosemont* to a certain extent, and it cannot be overlooked in the analysis that follows.

Iowa State University Research Foundation, Inc. v. American Broadcasting Cos., 621 F.2d 57 (2d Cir. 1980), involved ABC's use in its coverage of the 1972 Olympics of two-and-one-half minutes of film from a twenty-eight-minute biographical film about a wrestler at Iowa State who ultimately won a gold medal. In affirming the opinion of Judge Lumbard, sitting as a district judge, 463 F. Supp. 902 (S.D.N.Y. 1978), the Court of Appeals said that "[t]he fair use doctrine is not a license for corporate theft, empowering a court to ignore a copyright whenever it determines the underlying work contains material of possible public importance." In this regard, it was relevant that the copyrighted material was used for commercial purposes. 621 F.2d at 61. The *Iowa State* court also rejected a purely quantitative approach for determining whether the copying is insignificant, *id.* at 61-62, a factor which I also consider important.

Finally, in *Roy Export Co. Establishment v. Columbia Broadcasting System, Inc.*, 672 F.2d 1095 (2d Cir.), *cert. denied*, 459 U.S. 826 (1982), this court rejected a news broadcaster's claim that it had a First Amendment right to use portions of Charlie Chaplin's films in the broadcast coverage of Chaplin's death. Judge Newman's opinion for the court quoted *Wainwright Securities, Inc. v. Wall Street Transcript Corp.*, 558 F.2d 91, 95 (2d Cir. 1977), *cert. denied*, 434 U.S. 1084 (1978), as stating the general rule that " '[c]onflicts between interests protected by the

first amendment and the copyright laws thus far have been resolved by application of the fair use doctrine.' " 672 F.2d at 1100.

In sum, before *Salinger* the Second Circuit recognized that public interest in the subject matter and the necessity for the use are important components of fair use, and that the fair use doctrine is an appropriate way to resolve conflicts between copyright law and the First Amendment. At the same time, the commercial motives of a user will count against fair use, and so will the likelihood of undermining the market for the protected work. A court should consider the use in both quantitative and qualitative terms. Following the Supreme Court's decision in *Harper & Row*, more attention has been given to the additional issue of how significant it is that the material copied was unpublished.

B. Fair Use in *Messiah*

Neither appellant nor the majority opinion disputes Judge Leval's conclusion about Hubbard's published works: that all the quotations or paraphrases from these works were either non-infringing or fairly used (or implicitly de minimis, *see* note 1 *supra*).[6] Rather, New Era's

6 New Era does question—the majority does not—whether letters filed with various government agencies or applications thereto should be considered published, since Hubbard sent them to the agencies before the Freedom of Information Act was adopted. Holt argues, on the other hand, that Hubbard's letter or applications to government agencies were published.

I think that Holt has the better of the argument. While before the FOIA the letters may have been sent with an expectation of privacy, that expectation no longer existed after Hubbard's death. Moreover, publication occurred in a very real sense when Hubbard wrote the government agency or official in question. *Cf. Restatement (Second) of*

principal argument and the majority opinion concern Hubbard's unpublished writings. The claim is that Judge Leval's conclusion that the fair use doctrine justifies Holt's use of portions of these writings is contrary to *Harper & Row* and "eviscerates" *Salinger*. The majority agrees with New Era (majority op. at 2880) that the district court's consideration of the first section 107 factor—the purpose and character of the use—is premised on an illusory distinction between quotations used merely to "enliven" a biographer's work and quotations that are essential to communicate significant points about the character of the subject. Judge Leval, the argument runs, improperly thought that it was necessary to quote Hubbard to communicate character traits such as dishonesty, boastfulness, pretention, and the like.

It is true that *Salinger* said that a "biographer has no inherent right to copy the 'accuracy' or the 'vividness' of the letter writer's expression. Indeed, 'vividness of expression' is precisely an attribute of the author's expression that he is entitled to protect." 811 F.2d at 96. *Salinger* goes on to quote the defendant in that case as stating, when asked why he copied a stylistic device of Salinger's, that he wanted to convey the fact that Salinger was adopt-

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Torts § 577 (1977) (publication of defamatory material). Finally, the FOIA does not apply only to materials that arrived in government files after its enactment.

To be sure, the act of placing a "work" in a public file where it is available for inspection is not a publication under 17 U.S.C. § 101, at least after January 1, 1978, 1 *Nimmer* §§ 4.07, at 4-39 to -40, 4.10 at 4-49 and cases cited, because the work has not been distributed. Nonetheless, although case law on this is nonexistent, I think that letters or applications to government agencies seeking or promoting action by the agencies are not "works of authorship" in the copyright sense of 17 U.S.C. § 102. *Cf. id.* § 2.03[A], at 2-24 (Congress did not use its full constitutional powers over "writings" in the Act).

ing an ironic tone. The biographer was then asked whether he could have stated that Salinger had an ironic tone; he responded that " '[t]hat would make a pedestrian sentence I didn't wish to put my name to.' " *Id.* Judge Newman, writing for the *Salinger* panel, concluded: "[W]hen dealing with copyrighted expression, a biographer (or any other copier) may frequently have to content himself with reporting only the fact of what his subject did, even if he thereby pens a 'pedestrian' sentence. The copier is not at liberty to avoid 'pedestrian' reportage by appropriating his subject's literary devices." *Id.* at 96-97. While this passage could be read broadly, as apparently the majority does, I do not think that it reaches the case where the biographer or critic is using the protected expression as a fact to prove a character trait that is at odds with the public image that the subject or the subject's supporters have attempted to project. As Judge Leval said, it may be "the *words used* by [a] public figure (or the particular manner of expression) that are the facts calling for comment." 695 F. Supp. at 1502. This is entirely consistent with the Supreme Court's comment in *Harper & Row* that quotations may be "necessary adequately to convey the facts." In that case, for example, President Ford's characterization of certain White House tapes as the "smoking gun" was "perhaps so integral to the idea expressed as to be inseparable from it." 471 U.S. at 563.

I agree with Judge Leval: words that are facts calling for comment are distinguishable from words that simply enliven text. The law recognizes that words themselves may be facts to be proven. For example, in evidence law, words of independent legal significance, such as a contract or slander, are verbal acts and not hearsay. *See McCormick on Evidence* § 249, at 732-33 (3d ed. 1984). According to *Messiah*, Hubbard lied, boasted, etc. These are

actions. In order to prove his point, *Messiah*'s author must recount those actions—i.e., he must quote Hubbard's lies, boasts, etc. Thus, in *Salinger*'s words, *see* 811 F.2d at 97, *Messiah* seeks, in quoting Hubbard's writings, to "report[ ] only the fact of what [Hubbard] did."

Judge Leval offers a colorful hypothetical to support this argument: a popular, benign mayor who has sent memoranda to opponents in various conflicts threatening to "cut your heart out," "castrate you," and "bust your kneecaps." 695 F. Supp. at 1502. A journalist questioning the accuracy of the mayor's public image might well quote from these memoranda since it would be very difficult, if not impossible, to convey the fact that the mayor was not the benign character he was thought to be without these particular words or expressions. Another of Judge Leval's examples fits the *Messiah* quotations quite closely: A religious leader renowned for his selfless kindness, liberality of spirit and sympathy for the sufferings of others might well be exposed by extracts from his letters and journals which displayed greed or callous indifference and employed the language of racial and religious bigotry. *Id.* Thus, in considering the first of the factors identified by Congress and the courts—the purpose and character of the use—unlike the majority, I think the district court made an appropriate distinction between this case and *Salinger*.

There are a few quotations which I nevertheless concede are indistinguishable from those held to be improper in *Salinger*, and here I part company—but only a little—from Judge Leval. There are, for example, quotations from eight passages in short-story outlines and drafts to show Hubbard's teenage style of writing. The district court thought that these quotations could properly be used. *Salinger* makes it very clear, however, that quota-

tions used merely to demonstrate writing style may not qualify for the fair use defense. 811 F.2d at 96-97. Quotations from those eight passages, then, are not fairly used. Nevertheless, they do not—unlike the quotations from Salinger's letters—"make the book worth reading." *Id.* at 99. Rather, they serve only in a very limited way as background information. The majority opinion disregards this distinction.

As to the second factor, the nature of the copyrighted work, *Harper & Row* says that "the scope of fair use is narrower with respect to unpublished works" because "the author's right to control the first public appearance of his expression weighs against such use of the work before its release." Thus, the fact that a work is unpublished is a "critical element of its 'nature.' " 471 U.S. at 564.

Salinger interpreted narrower "scope" to refer to the "diminished likelihood that copying will be fair use when the copyrighted material is unpublished," on the theory that these passages in *Harper & Row* convey the idea that unpublished works normally enjoy complete protection against copying. 811 F.2d at 97. I accept this as the holding of *Salinger*, which we are bound to follow absent en banc review, even though *Salinger* itself recognized that at least one other interpretation might be given to the Supreme Court's statements in *Harper & Row*: the Court might have meant that lesser amounts of copyrighted material can be copied from unpublished works than from published works. Nevertheless, I do not think that *Harper & Row*, as glossed by *Salinger*, leads to the inevitable conclusion that all copying from unpublished work is per se infringement. By referring to a diminished "likelihood," *Salinger* suggests that there may be some instances—even

though less likely—where copying will be fair use. For the Supreme Court in *Harper & Row* to say that "the scope of fair use is narrower" was quite different from saying that there is no scope at all. Furthermore, when *Harper & Row* said that the unpublished nature of a work should be a "key, though not necessarily determinative, factor" in fair use analysis, 471 U.S. at 554 (quoting S. Rep. No. 94-473, at 64 (1975)), it implicitly renounced a per se rule. Indeed, the statute itself does not distinguish between published and unpublished works.

The second factor, as I see it, helps to define the burden that is placed upon a defendant to justify its use of copyrighted material. Holt must justify its use more convincingly under section 107's other factors when quoting from Hubbard's unpublished writings than when quoting from his published works. *See* 695 F. Supp. at 1504.

The third factor is the amount and substantiality of the portion of the copyrighted work used. Paraphrase as well as actual quotation must be considered. *Salinger*, 811 F.2d at 97-98. We must also examine the amount and substantiality of the passages at issue both in relation to the protected work and in relation to the work accused of infringement. *Salinger* found that the Hamilton biography there involved copied a considerable amount from forty-four letters by J. D. Salinger: protected sequences constituted at least one-third of seventeen letters, and at least ten percent of forty-two letters. *Id.* at 98-99. And I agree that the amount copied may be small, but still substantial. The Supreme Court in *Harper & Row* pointed out that, while in absolute terms the words quoted were an insubstantial portion of the protected work, what was taken was nevertheless "essentially the heart of the book," 471 U.S. at 564-65 (quoting the district court opinion, 557 F. Supp. at

1072). Also important is the contribution of the quoted material to the work accused of infringement. *Salinger* found that the taking there was significant qualitatively as well as quantitatively: Salinger's letters were quoted or paraphrased on approximately 40 percent of the biography's 192 pages, and they, "[t]o a large extent . . . make the book worth reading." *Id.* at 99. *See also Harper & Row*, 471 U.S. at 566 (referring to the "key role in the infringing work" of excerpts taken from the protected work).

The amount and substantiality of the quotations used in this case are easily distinguishable from *Harper & Row* and *Salinger*, a matter which the majority opinion unfortunately glosses over. I have said that the quotations from the Asia Dairies are mostly found in Chapters 2 and 3, which deal in part with Hubbard's travels. Qualitatively, they are quite insignificant: as I mentioned above, the quotations are necessary to substantiate the author's factual assertions. However, they are not nearly so important as, in *Salinger*'s words, to "make the book worth reading." 811 F.2d at 99. Quantitatively, the quotations are but a fraction of the Asia Diaries: they are hardly "the heart" of the work, as was the case in *Harper & Row*. The diaries are not in our record, but there is an affidavit that states that they contain some 46,299 words, of which only a very small portion is quoted in *Messiah*. The quotations are also a small fraction of two chapters in *Messiah* which, in turn, constitute 32 pages out of a 375-page book. Thus, the Asia Diaries quotations, in my view, satisfy the third factor of the fair use test. The same perhaps does not hold true of the letters to Helen O'Brien or to Hubbard's former spouse. The quotations used in *Messiah* are the heart of those letters, which weighs against a finding of fair use for those quotations—even though their publica-

tion does help Miller in his attempt to expose Hubbard as a hypocritical, cynical, and scheming personality. But none of these section 107 factors is exclusive, as we are all aware.

I now turn to the fourth factor set out in section 107, "the effect of the use upon the potential market for or value of the copyrighted work." *Harper & Row* tells us that this "is undoubtedly the single most important element of fair use." 471 U.S. at 566. Thus, we must assess the potential market for Hubbard's letters and the utilized portions of his Asia Diaries. Here the majority and I completely part company. As I see it, the district court correctly found that one who has an interest in reading Hubbard's writings—whether one is "for" or "against" Hubbard—would not satisfy that interest by reading *Bare-Faced Messiah* or the quotations in it. In my view it would be clear to any reader of *Messiah* "that she had not literally read Hubbard's writings," but, rather, that she had read a "hostile, critical biography using fragmentary extracts to demonstrate critical conclusions about him." 695 F. Supp. at 1523. The district court found, and I agree, that "readers would not be dissuaded from purchasing Hubbard's work by Miller's extracts," and that "Miller's use of Hubbard's writings will not affect the market for Hubbard's copyrights." *Id.* I see no reason, nor does the majority give us any indication (op. at 2881), why this finding of fact is clearly erroneous, especially since the executor of Hubbard's estate testified that no appraisal had been done of Hubbard's unpublished works. The executor also acknowledged that "any biography that is not objectively favorable to Mr. Hubbard" would not be approved for publication, while claiming that *Messiah* was a "scumbag book" and "full of bullshit." Gready Aff. Ex A. at 84, 94, 105. Letters such as

those to O'Brien or to Hubbard's ex-wife stand so little chance of publication by Hubbard's legatees that their quotation in *Messiah* will not impair the market for any publication that might later be approved by the legatees. The majority does not and cannot suggest otherwise. The Asia Diaries, on the other hand, would undoubtedly have a market with Hubbard aficionados despite the publication of excerpts from them in *Messiah*. It is therefore not at all difficult to distinguish this case from *Salinger*, where the copying of Salinger's letters made likely "some impairment of the market." 811 F.2d at 99. To the extent that *Messiah*'s criticism of L. Ron Hubbard diminishes the popularity of Scientology or impedes the sale of Hubbard's books pertaining to Dianetics or the Church of Scientology or its teachings, *Messiah* may be said to affect their marketability adversely. This sort of effect, of course, is not a factor either in a fair use assessment or in a determination of an appropriate remedy, since the Copyright Act does not protect any such interest. The majority errs when it says that "it is difficult to conclude, as does the district court, that the *book* published by Holt would have no effect on the market for New Era's forthcoming book." (Op. at 19 (emphasis added).) In fact, it is the effect of *Messiah*'s use of copyrighted material, not the effect of the book as a whole, that must be assessed here. Judge Leval carefully adhered to this distinction when considering section 107's fourth factor. *See* 695 F. Supp. at 1522-23.

Thus, I agree with the district court's ultimate conclusion that most of the material, including all of the published and much of the unpublished writings, is entitled to the fair use defense. I also agree with Judge Leval that the unpublished material that is not entitled to this defense is both quite small in quantity and most limited in quality,

and that its marketability would in no way be affected by the publication of *Messiah*. To hold otherwise is in my view also to engage in the appellate factfinding prohibited by Fed. R. Civ. P. 52.

C. The Remedy

I come then to the truly critical question which the majority opinion, starting with different premises, deals with by reference solely to the Act and its constitutional underpinning: does the publication of even a small, but more than negligible, body of infringing material entitle the copyright holder to an injunction? The district court refused to enjoin further distribution of *Bare-Faced Messiah*. 695 F. Supp. at 1525-28. The court fully recognized that, while an injunction is a drastic remedy, *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 311-12 (1982), courts will readily find the requisite threat of irreparable injury in copyright cases, *see, e.g.*, *Wainwright Securities, Inc. v. Wall Street Transcript Corp.*, 558 F.2d 91, 94 (2d Cir. 1977), *cert. denied*, 434 U.S. 1014 (1978). However, Judge Leval found that this was not a typical case of "opportunistic free riding." The copyright infringement here did not involve "profiteering by appropriating the creative effort and genius of another." 695 F. Supp. at 1525. In other words, the injury here was not irreparable. It is not a simple case of stealing another's expressions for personal advantage.

Rather, the suppression of *Messiah* would, as Judge Leval said, operate as a prior restraint and "implicate[ ] concerns of the First Amendment." *Id.* Judge Leval observed that earlier cases (*e.g.*, *Rosemont*, *Meeropol*) avoided suppressing critical biographies by finding fair use. "Since *Salinger*," however, the conflict between freedom of speech and the injunctive remedy is "inescap-

able." *Id.* at 1526. The judge concluded, and I agree, that "[t]here may . . . be instances where solicitude for the author's commercial entitlements, especially in first publication, will motivate a court to protect his compensation right by denying a finding of fair use, while solicitude for a free press and free public discussion will require denial of an injunction." *Id.* He supported this view by citing the permissive language of the Copyright Act, 17 U.S.C. § 502 (the court "may . . . grant . . . final injunctions"); past cases, *e.g.*, *Dun v. Lumbermen's Credit Ass'n*, 209 U.S. 20, 23-24 (1908) (discretion "wisely exercised" in copyright infringement case in refusing injunction against publisher of reference book with "insignificant" improper uses); and the vote of four justices in *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 499 (1984) (Blackmun, J., dissenting) (award of damages, or continuing royalties or even some form of limited injunction "may well be an appropriate means of balancing the equities in this case"). Judge Leval also distinguished *Harper & Row* and *Salinger*. The former did not involve the issuance of an injunction; and while the latter did grant a preliminary injunction, the question whether a permanent injunction should issue was not raised. 695 F. Supp. at 1526. Finally, Judge Leval cited Professor Nimmer for the proposition that "where great public injury would be worked by an injunction, the courts might follow cases in other areas of property law[,] and award damages [or] a continuing royalty instead of an injunction under such special circumstances." *Id.* at 1528; *see* 3 *Nimmer* § 14.06[B], at 14-56.2. In short, the judge decided that this was "one of those special circumstances in which the interests of free speech overwhelmingly exceed the plaintiff's interest in an injunction." 695 F. Supp. at 1528.

I recognize the counter from *Salinger* that "[i]f [an author] copies more than minimal amounts of (unpublished) expressive content, he deserves to be enjoined," 811 F.2d at 96, and that "[m]isapplication of the appropriate legal principles constitutes grounds for overturning the denial or issuance of a preliminary injunction." *Id.* at 94. I am also aware that Judge Leval's mention of First Amendment concerns may not be easy to reconcile with the Supreme Court's statements in *Harper & Row* that "[i]t is fundamentally at odds with the scheme of copyright to accord lesser rights in those works that are of greatest importance to the public. Such a notion ignores the major premise of copyright and injures author and public alike," 471 U.S. at 559, and that *The Nation*'s First Amendment defense "would expand fair use to effectively destroy any expectation of copyright protection in the work of a public figure," *id.* at 557. Finally, I am aware of this court's observation in *Roy Export*, 672 F.2d at 1099, that "[n]o Circuit that has considered the question . . . has ever held that the First Amendment provides a privilege in the copyright field distinct from the accommodation embodied in the 'fair use' doctrine." *See also* Patry, ch. 18: because copyright protects the expression of an idea but not the idea itself, "the only possible conflict between the First Amendment and the Copyright Act lies in the author's expression, viz., his individual characterization, phrasing, or styling of ideas. No court has ever held that the public has a right to know expression." *Id.* at 466.

I believe, however, that Judge Leval's denial of the injunction—a *remedy* for infringement—can be supported on grounds that *do* recognize these arguments and the cited authorities. Enjoining publication of a book is not to be done lightly. The power to enjoin, in this as in any case,

must be exercised with a delicate consideration of all the consequences. *See Rosemont*, 366 F.2d at 310-11 (discussing whether preliminary injunction should be granted). Responsible biographers and historians constantly use primary sources, letters, diaries, and memoranda. Indeed, it would be *irresponsible* to ignore such sources of information. *See supra* note 3. Where, as here, the very limited use of those materials has been—I think properly—found not to affect their marketability, the grant or denial of an injunction remains an open question, to be determined by carefully balancing the appropriate factors. I say that it is an open question because the statute makes the injunction remedy discretionary, 17 U.S.C. § 502; the cases do the same, *e.g.*, *Rosemont*; and the leading commentators concur, B. Kaplan, *An Unhurried View of Copyright* 73 (1967) ("courts have sometimes forgotten that an injunction does not go of course; the interest in dissemination of a work may justify a confinement of the remedy to a money recovery"); 3 *Nimmer* § 14.06[B], at 14-56.2 & n.28 (where injunction would work great injury, courts might grant other relief). Moreover, other areas of property law—if one takes a purely property-oriented view of copyright—offer a wealth of analogous cases in which injunctive relief is a matter of discretion. *See, e.g.*, *Harrisonville v. W.S. Dickey Clay Mfg.*, 289 U.S. 334, 338 (1933) (nuisance; equitable relief denied where injunction would cause grossly disproportionate hardship and payment of money will afford substantial redress); *Boomer v. Atlantic Cement Co.*, 26 N.Y.2d 219, 257 N.E.2d 870, 309 N.Y.S.2d 312 (1970) (same); *Monroe Carp Pond Co. v. River Raisin Paper Co.*, 240 Mich. 279, 215 N.W. 325, 328 (1927) (riparian rights; same); *Quality Excelsior Coal Co. v. Reeves*, 206 Ark. 713, 177 S.W.2d 728, 734 (1944) (trespass; same); *Restatement (Second) of Torts* § 951 com-

ment a (1979) (damages may be awarded in lieu of an injunction because of relative hardship or a countervailing public interest).

I think that the denial of an injunction was appropriate here for four reasons. First, the "economic incentive" for the creation and dissemination of ideas that is provided by the Copyright Act, *Harper & Row*, 471 U.S. at 546, 558, is not served by an injunction where there is no demonstrable impairment of the quoted materials' future market value. Yet an injunction against *Messiah* would certainly prevent the biography's further distribution in the United States—just as the Hubbard legatees sought, unsuccessfully, to prevent publication in England, Australia, and Canada.[7] An injunction in this case would therefore discourage writers and publishers who might otherwise undertake critical biographies of powerful people, without serving as an incentive for copyright holders. We might say, then, that denying an injunction here allows us "to avoid rigid application of the copyright statute when . . . it would stifle the very creativity which that law is designed to foster." *Harper & Row*, 471 U.S. at 550 n.3 (describing fair use doctrine in general) (quoting *Iowa State*, 621 F.2d at 60).

Second, the public interest militates against granting an injunction in this case. "Courts of equity may, and frequently do, go much farther both to give and withhold relief in furtherance of the public interest than they are accustomed to go when only private interests are

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7 Appellants suggest that all that would be required would be revision of the book so as to delete the infringing portions and to report facts and ideas. The district court found, however, that "the expense and waste involved in republishing after deleting infringing material would be prohibitive." 695 F. Supp. at 1528. Nothing to which we are referred in the record would make this finding clearly erroneous.

involved." *Mercoid Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 670 (1944) (quoting *Virginia Ry. Co. v. System Federation*, 300 U.S. 515, 552 (1937)). The premise of the First Amendment is that "the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public." *Associated Press v. United States*, 326 U.S. 1, 20 (1945). This certainly applies in the case of a biography of a public figure.

> Biographies, of course, are fundamentally personal histories and it is both reasonable and customary for biographers to refer to and utilize earlier works dealing with the subject of the work and occasionally to quote directly from such works. This practice is permitted because of the public benefit in encouraging the development of historical and biographical works and their public distribution, e.g., so "that the world may not be deprived of improvements, or the progress of the arts be retarded."

Rosemont, 366 F.2d at 307 (citation omitted) (quoting *Sayre v. Moore*, 1 East. 361, 102 Eng. Rep. 138, 139 (K.B. 1801)). Recognition of this point in determining whether to grant an injunctive remedy will not swallow the fair use rule, which after all is "equitable" in nature *per Harper & Row*.

Third, a non-injunctive remedy provides the best balance between the copyright interests and the First Amendment interests at stake in this case. In the words of Professor Goldstein, *Copyright and the First Amendment*, 70 Colum. L. Rev. 983, 1030 (1970):

> To be actionable, invasions of the copyright must effect economic harm and . . . an award of damages should be preferred to the injunctive remedy. Since copyright property has economic value only, the prin-

> ciple would permit any public participation in the property which does not tend to impair its value. The preference for damages over injunctive relief is a corollary of the requirement of demonstrable injury. From a first amendment viewpoint, the effect of an injunction is to restrain the infringing expression altogether—an effect which goes beyond what is necessary to secure the copyright property. An award of monetary damages, which permits the infringing expression at a reasonable cost, is more tolerable from a first amendment point of view.

Finally, even without reference to the doctrine of unclean hands, *see supra* note 5, the fact that a good argument can be made, as the majority holds and as English and Canadian courts held, that the delay in New Era's proceeding with this case amounted to laches, *see Goodman v. McDonnell Douglas Corp.*, 606 F.2d 800, 804 (8th Cir. 1979) (elements of laches are unreasonable and inexcusable delay that prejudices defendant), *cert. denied*, 446 U.S. 913 (1980), is a factor to be weighed in the underlying determination whether to grant injunctive relief.

Applying traditional equitable principles, then, I would hold that Judge Leval did not abuse his discretion in declining to issue an injunction against publication of *Messiah*, leaving New Era a damages claim as to the very little, insignificant material unfairly used.

NEW ERA PUBLICATIONS INTERNATIONAL, APS, A corporation of Denmark, Plaintiff,

v.

HENRY HOLT AND COMPANY, INC., A New York Corporation, Defendant.

No. 88 Civ. 3126 (PNL).

United States District Court, S.D. New York.

Aug. 9, 1988.
As Amended Aug. 16, 1988.

OPINION AND ORDER

LEVAL, District Judge.

This is an action to enjoin the publication of a critical biography on grounds that the biographer has infringed the copyrights of the subject. The subject of the biography is the deceased L. Ron Hubbard, founder of the Church of Scientology. Plaintiff, New Era Publications International, ApS, a Danish corporation, is related to the Church of Scientology and was founded to

hold and exploit Hubbard's copyrights. The author of the biography is Russell Miller. His book is entitled Bare-Faced Messiah: The True Story of L. Ron Hubbard, published by Henry Holt & Co., Incorporated, which is the sole defendant in the suit. The author was not named. The book includes numerous quotations from Hubbard's writings. The defense relies on the doctrine of fair use, which permits limited use of copyrighted material for purposes of "criticism, commentary, news reporting, teaching, scholarship or research." 17 U.S. C. § 107. The defendant contends also that even if fair use is not found for all takings of Hubbard's words, the remedy should be limited to damages, rather than an injunction suppressing the distribution of a critical historical study. The action raises issues of significant

importance for the writing of history, journalism and criticism, and for the public's opportunity to be informed in matters of public interest.

Facts

The history of the action is set forth in part in the opinion on the application for a temporary restraining order. New Era Publications International, ApS v. Henry Holt & Co., Inc., 684 F.Supp. 808 (S.D.N.Y.1988). Bare-Faced Messiah has been published in England, Australia, and Canada in substantially similar form to the United States edition. The Church of Scientology sued to enjoin publication in those countries without success.

The first publication was in England in October 1987 after the British courts denied an application for a preliminary injunction. That suit alleged that the

book employed confidential church documents, embezzled by a Church employee who had been appointed official biographer of Hubbard and became disaffected. The British courts concluded that the litigation was instituted to "stifle criticism" and not "to protect any legitimate interest of the church in preserving confidentiality." Church of Scientology v. Russell Miller, High Ct. of Justice, Ch. Div., Oct. 9, 1987, at 16. The court also found laches, based on the tardy institution of the suit, when the book was already in print. See Church of Scientology v. Miller & Anor, Ch. 1986 C. No. 6140, Sup.Ct. of Judic., Oct. 22, 1987, at 10.

On November 19, 1987, New Era commenced action in the Federal Court of Canada alleging that the book infringed the Hubbard copyrights. That court also

denied the application for a preliminary injunction on the grounds of laches. New Era Publications, International ApS v. Key-Porter Books Limited, No. T-2433-87, Fed.Ct.Can.Trial Div. (Dec. 2, 1987). On December 14, an action to enjoin publication of the book in Australia was withdrawn. By January 1988, Bare-Faced Messiah was publicly distributed in England, Canada and Australia.

This action was commenced on May 4, 1988 by application for a temporary restraining order. Two years earlier, the Church had sent Holt letters threatening an action for defamation. During February and March 1988, the Church made overtures to dissuade Holt from publishing the book. When the application for a TRO was heard on May 5, 1988, it came out that a first printing of 12,000 copies had already been substantially dis-

tributed and that the second printing was scheduled for the following morning. By reason of laches and consequent financial injury to the defendant, I declined to enjoin the second printing. See Order of May 13, 1988. On May 20, 1988, however, after plaintiff agreed to indemnify the defendant in the event of production losses, I granted a TRO restraining distribution of the second printing pending complete submission of proofs. The parties then agreed to bypass the preliminary injunction stage and proceed directly to the submission of an expedited trial seeking a permanent injunction.

There is no dispute that the biography quotes extensively from Hubbard's writings. Plaintiff has submitted a two-column table setting forth (on the left) each passage of Bare-Faced Messiah which it contends is an infringement of its

copyrights, together with the passage from the copyrighted texts which it contends is infringed. The table consumes 65 pages; the first 22 pages involve quotes from published books; the remaining 43 are quotes and paraphrases of unpublished matter consisting primarily of Hubbard letters and diary entries.

Although plaintiff does not concede justification for the quotations from the previously published works, it no doubt recognizes that defendant's claims of fair use as to those materials are extremely powerful. The dispute focuses rather on Miller's use of extracts from letters and journals that have not been previously published.

Plaintiff contends that the holder of a copyright in unpublished matter enjoys virtually complete protection against claims of fair use. This is to protect

the value of the copyright by preserving the copyright holder's control over the first publication of the work. Plaintiff cites recent opinions of the Supreme Court and the Court of Appeals in this Circuit. See Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985); Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir.), cert. denied, ___ U.S. ___, 108 S.Ct. 213, 98 L.Ed.2d 177 (1987). Holt acknowledges that the doctrine of fair use has far less application to unpublished material than to previously published work. It argues, however, that plaintiff overstates the rule--that there is a difference between very limited application and none at all. Where the fair use justification is sufficiently powerful to pass an exacting scrutiny, defendant contends that it

will permit appropriate quotation from unpublished matter to make an instructive point.

Holt contends there is powerful justification for Miller's quotations from Hubbard's letters and journals. It argues that these are not appropriations of Hubbard's efforts and talents in literary expression, but demonstrations through Hubbard's words of his flaws of character. The thesis of Bare-Faced Messiah is that Hubbard was dishonest, pretentious, boastful, paranoid, cowardly, cruel, disloyal, aggressive, bizarre and finally even insane in his pseudo-scientific fantasies and his obsessions.[1] Defendant argues that a portrait of these qualities is almost impos-

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[1]. In the Preface, the author quotes a former devotee who sums up Hubbard as "a mixture of Adolf Hitler, Charles Chaplin and Baron Munchhausen ... a con man." (BFM 6.)

sible to convey without reliance on the subject's own words, and that the use made of Hubbard's words must be considered fair use even under the restrictive standards of Nation and Salinger.

Finally Holt argues that, even if it fails to establish fair use as to each of the quotations from Hubbard writings, injunction is not the appropriate remedy. It argues that plaintiff is invoking copyright protection, not in good faith for its intended purpose of protecting the value of publication rights, but rather to suppress a derogatory study of the founder of the Church of Scientology.[2] Defendant contends that First

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2. Norman Starkey, the Executor of Hubbard's estate who licensed plaintiff to exploit the Hubbard copyrights stated in his deposition: "That scum bag book is full of bullshit, man, and you know it. It is full of bullshit....goddam, fucking bullshit." (Gready Aff. Exh. A, p. 94.) In a prefatory Author's note to the Book, Miller writes,

Amendment values are at stake and that, if any remedy is called for, it should be an award of money rather than a prior restraint quashing a critical study of a prominent public figure.

Discussion

I. Fair Use

The doctrine of fair use must be understood in the context of the purposes of copyright protection. Article 1, Section 8, clause 8 of the Constitution authorizes the Congress, "To promote the progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to

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"I would like to be able to thank the officials of the Church of Scientology for their help in compiling this biography, but I am unable to do so because the price of their co-operation was effective control of the manuscript and it was a price I was unwilling to pay. Thereafter the Church did its best to dissuade people who knew Hubbard from speaking to me and constantly threatened litigation." (BFM, ix.)

their respective Writings and Discoveries." The copyright thus is designed to encourage artistic endeavor by securing for the artist or author the commercial benefits of exploitation of his creations. See Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 429, 104 S.Ct. 774, 782, 78 L.Ed.2d 574 (1984); Mazer v. Stein, 347 U.S. 201, 217, 74 S.Ct. 460, 470, 98 L.Ed. 630 (1954); Berlin v. E.C. Publications Inc., 329 F.2d 541, 543 (2d Cir.), cert. denied, 379 U.S. 822, 85 S.Ct. 46, 13 L.Ed.2d 33 (1964). Recognizing that damages can be difficult to prove, the law generally presumes harm and makes injunctions easily available. See Hasbro Bradley Inc. v. Sparkle Toys, Inc., 780 F.2d 189, 192 (2d Cir. 1985). The Copyright Act also provides heavy damage remedies. 17 U.S.C. § 504.

Although the law zealously protects the commercial interests of the artist from unscrupulous opportunistic interlopers, it recognizes that not all copying of artistic invention is necessarily undesirable piracy. Certain forms of copying of artistic creation are indispensable to education, journalism, history, criticism, humor and other informative endeavors; the statute therefore allows latitude in appropriate circumstances for copying of protected artistic expression and exempts such copying from a finding of infringement. The doctrine of fair use identifies this category of permissible copying. See Diamond v. Am-Law Publishing Corp., 745 F.2d 142 (2d Cir. 1984); Consumers Union of United States v. General Signal Corp., 724 F.2d 1044, 1048 (2d Cir. 1983), cert. denied, 469 U.S. 823, 105

S.Ct. 100, 83 L.Ed.2d 45 (1984). It offers a means of balancing the interests of a copyright holder against the public's interest in dissemination of information. See Meeropol v. Nizer, 560 F.2d 1061, 1068 (2d Cir. 1977) (citing Wainwright Securities, Inc. v. Wall Street Transcript Corp., 558 F.2d 91, 94 (2d Cir. 1977)), cert. denied, 434 U.S. 1014, 98 S.Ct. 730, 54 L.Ed.2d 759 (1978). The law has never precisely defined fair use, but it has identified factors that are helpful in determining when it is present. These are set forth in Section 107 of the Copyright Act of 1976. 17 U.S.C. § 107.

The statute opens with the proposition that, notwithstanding the exclusive rights of the copyright owner, "fair use of a copyrighted work ... for purposes such as criticism, comment, news report-

ing, teaching, ... scholarship or research, is not an infringement." 17 U.S.C. § 107. The statute then sets forth a short nonexclusive list of factors to be considered "in determining whether the use made ... is a fair use... ." The factors are:

> "(1) the purpose and character of the use [including consideration of commercial or nonprofit purpose];
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market price or value of the copyrighted work."

17 U.S.C. § 107; see Harper & Row Publishers v. Nation Enterprises, 471 U.S. 539, 105 S.Ct. 2218, 2225, 85 L.Ed.2d 588 (1985).

The statute provides no real instruction as to how the conclusion is to be drawn upon consideration of these fac-

tors. It recognizes that the substance of the issue is the conflict between the justification for copying in serving the objective of public education (in the broadest sense) and the copyright owner's entitlement to reap the profits of labor and talent invested in creative works.

A. The Nature of the Copyrighted Work

Plaintiff contends that the second statutory factor--"the nature of the copyrighted work"--is virtually determinative of this controversy. The statute states this factor as an open-ended generality, inviting the court to consider any aspect of the nature of the copyrighted work that has rational bearing on whether its secondary use should be considered fair. In Nation and Salinger, the courts found particular importance in the fact that the plaintiff's

copyrighted work was previously unpublished. A substantial portion of Hubbard's writings quoted in Bare-Faced Messiah have not been published.[3] In plaintiff's list, every citation bearing a number of 70 to 201 is from an unpublished document.

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[3]. Holt argues that many of these works were effectively published when they became part of the court record and were placed on public display during the conduct of a trial brought by the Church of Scientology in an effort to recover the documents from a member (Armstrong) who it claimed had taken them without authorization. Plaintiff disputes whether the court in fact placed the works on public display and also disputes whether such display would alter their unpublished status. Combining the fact that any public display in the course of the Armstrong litigation was over objection, with the small number of persons, at most, who saw the works, plaintiff has the better of the argument. If the bringing of a lawsuit to enforce a right necessarily resulted in its sacrifice, the right would be chimerical. Cf. Marvin Worth Productions v. Superior Films Corp., 319 F. Supp. 1269, 1271 (S.D.N.Y. 1970) ("to hold that ... originally copyrighted material becomes somehow dedicated to use in the courts would permit the unraveling of the fabric of copyright protection").

The Applicability of Fair Use to Unpublished Work

The principal reason for the difference between published and unpublished work is that for works that have not yet been published, the copyright owner's interests may be affected by choices as to the manner and context of the first public revelation of the work, including the choice whether it should be published at all.

The authorities do not make absolutely clear how to assess a claim of fair use with respect to unpublished copyrighted work. The issue was discussed at length by the Supreme Court in Nation, 105 S. Ct. at 2226-29. There, The Nation had obtained the "purloined" manuscript of President Gerald R. Ford's memoirs and published significant excerpts, which the Court found to be the "heart" of the book, id. at 2233 (quoting District

Judge Owen's opinion, 557 F.Supp. 1067, 1072 (S.D.N.Y. 1983)), shortly before Time Magazine was scheduled to publish the first serialization. Upon the pirated publication, Time cancelled its option and withheld the unpaid portion of its license fee. The copyright assignee--the hardback publisher--brought suit for damages against The Nation. The Nation defended on the grounds that President Ford's memoirs, and in particular the portion in which he discussed his grant of a pardon to former President Richard Nixon, was of such public interest that a news report containing excerpts of his discussion must be considered fair use under § 107. The Supreme Court first rejected this contention, commenting that if this correctly stated the law, important public figures would effectively be stripped of copy-

right protection and would lose incentive to create valuable memoirs. Id. 105 S.Ct. at 2224.

The Court began its discussion of the absence of prior publication by noting that at common law, because fair use was understood as predicated on the author's implied consent expressed through publication of his work, there had been no right of fair use where there was no prior publication. Nation, 105 S.Ct. at 2226 (citing American Tobacco Co. v. Werckmeister, 207 U.S. 284, 299, 28 S. Ct. 72, 77, 52 L.Ed. 208 (1907)). It noted that under the 1976 Copyright Act, this understanding of fair use had changed and that fair use now applied to unpublished as well as published works. The Court recognized the continuing interest of the copyright owner in exercising control over the first publication

and observed that "the scope of fair use is narrower with respect to unpublished works." Id. 105 S.Ct. at 2232. "Under ordinary circumstances, the author's right to control the first public appearance of his undisseminated expression will outweigh a claim of fair use." Id. at 2228. It concluded, "that the unpublished nature of a work is '[a] key, though not necessarily determinative, factor' tending to negate a defense of fair use." Id. at 2227 (quoting S.Rep. No. 94-473, p. 64 (1975)). Finally, "fair use analysis must always be tailored to the individual case. The nature of the interest at stake is highly relevant to whether a given use is fair." Id. at 2227 (citations omitted).

Given the dishonest acquisition of the manuscript, the revelation of the "heart" of the work, the inequitable gun

jumping by which The Nation preempted the licensed publication, and the disastrous effect on the market, the Supreme Court had no trouble concluding that The Nation's unauthorized publication was not a fair use.

In Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir.), cert. denied, ___ U.S. ___, 108 S.Ct. 213, 98 L.Ed.2d 177 (1987), Ian Hamilton, a biographer of J.D. Salinger, had paraphrased substantial portions of many of Salinger's unpublished letters in a manner which the Court of Appeals found close enough to the original to constitute infringement. The Court reviewed the Supreme Court's discussion of the problem in Nation. It found ambiguity in the Supreme Court's observation that "'the scope of fair use is narrower with respect to unpublished works,'" id. at 97

(quoting Nation, 105 S.Ct. at 2232), which could mean either that fewer circumstances will justify a finding of fair use of the unpublished material or that a lesser amount of unpublished material may be copied under the mantle of fair use. The Court concluded that the first was the Supreme Court's intended meaning--that "[n]arrower 'scope' seems to refer to the diminished likelihood that copying will be fair use when the copyrighted material is unpublished." Id. at 97. Otherwise stated, a more potent justification of fair use is required where the copyrighted work has not been published. The Court of Appeals interpreted the Supreme Court's discussion as "convey[ing] the idea that [unpublished] works normally enjoy complete protection against copying any protected expression." Id.

Unmistakably these authorities establish that the unpublished nature of the copyrighted work is a substantial factor arguing against a finding of fair use. From the last quoted proposition in Salinger using the words "complete protection" plaintiff argues that unpublished copyrighted expression is virtually never amenable to fair use.

That is certainly not a fair inference of the Supreme Court's discussion. To say that "the scope of fair use is narrower with respect to unpublished work" necessarily implies that some such scope exists. To say that the absence of prior publication "is '[a] key, though not necessarily determinative, factor' tending to negate the defense of fair use," Nation, 105 S.Ct. at 2227 (quoting S. Rep. No. 94-473, p. 64 (1975)), necessarily means that other factors are cap-

able of supporting the defense. Both the Supreme Court and the Court of Appeals concluded that the Copyright Act expressly made the doctrine of fair use applicable to unpublished work, in departure from the common law rule, see Nation, 105 S.Ct. at 2227; Salinger, 811 F.2d at 95; it is most unlikely that those courts meant to assert that the statute extended the doctrine in name alone, and that in no circumstances would a copying from unpublished expression qualify for the statutory right.

Such a view, furthermore, would be incompatible with the educational informative objectives of fair use. The protection of an author's commercial interest in controlling the circumstances of first publication is certainly a substantial interest; it is entitled to the vigorous protection of the copyright law.

But to make this right inevitably prevail over all competing considerations would lead to absurd results that are almost incompatible with First Amendment interests. By registering a copyright, public figures who are the expected focus of public interest could use this supposed commercial protection as an aggressive weapon to prevent the publication of embarrassing revelations and to obstruct criticism.

It is not a satisfactory answer that the world remains free to use the facts and ideas contained in their writings. Often it is the words used by the public figure (or the particular manner of expression) that are the facts calling for comment.

Consider a variety of hypothetical examples:

(i) an art critic argues that recently deceased artist X was taught to render the human figure in perspective during his[4] year of study with teacher Y. To illustrate the point in her book about Y, she reproduces X's unpublished sketch predating his association with Y. She compares the awkwardness of the figure drawing with the refinement of a similar sketch he made a year later;

Voracious heirs of X sue to enjoin distribution of the book (absent payment of a prohibitive ransom) and contend, citing Salinger, that the fair use doctrine cannot apply to the unpublished sketch.

(ii) author X's best selling first book has received critical acclaim for its elegance of diction. A critic asserts that the diction came not from X but from a talented editor employed by the publisher. Her review quotes excerpts from the author's manuscript revealing a grammatical chaos and stylistic awkwardness which she contends are incompatible with the elegance of the final product. She declares X to be a literary fraud. X sues to enjoin publication of the review, contending that the critic is appropriating the first publication right of the ex-

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4. In hypothetical discussions throughout this opinion the biographer-critic-defendant is presented in the feminine pronoun while the author-copyright holder-plaintiff is presented in the masculine pronoun.

tracts from his unpublished manuscript;

(iii) politician X campaigns on his decorations for wartime bravery and his strong law and order position. A journalist seeks to publish some of X's old letters which, if read carefully between the lines, seem to acknowledge that he did not participate in combat, was mistakenly decorated and spent his military career as a black marketeer in association with hoodlums;

(iv) a religious leader is renowned for his selfless kindness, liberality of spirit and sympathy for the sufferings of others. A biographer seeks to publish extracts from his early letters and journals which display greed, callous indifference, and employ the language of racial and religious bigotry;

(v) the popular benign mayor of a city sent numerous memos to opponents in various conflicts threatening to "cut your heart out," "castrate you," "bust your kneecaps," etc. A journalist questions the accuracy of the mayor's public image and quotes from these memos.

In each case, the biographer, critic, commentator or journalist--the asserted fair user--has used the copyright owner's expression. Her point cannot be

effectively made by merely reciting the facts. In each case, the plaintiff copyright owner protests the defendant's claim of fair use and claims the rights to control first publication of his copyrighted expression.

In my view, each illustration should be considered a fair use. I doubt that the Supreme Court or Second Circuit would disagree. While I can imagine weak arguments that might be offered on the other side of examples (i) and (ii) (because they relate to artistic style), I can conceive of no reasonable contention against a finding of fair use for numbers (iii)-(v). To enjoin their publication would merely be allowing a doctrine designed to protect an artist's commercial rights to be perverted into the service of suppression of important critical or historical inquiry.

A portion of the Salinger decision may be misunderstood to imply that the biographer or critic, being limited to reporting the facts, may never quote unpublished protected expression contained in the unpublished copyrighted work. The defendant biographer, when asked why he had copied a stylistic device of Salinger's, responded that he wanted to convey that Salinger had adopted an ironic tone. When then asked why he would not have simply stated that Salinger used an ironic tone, he replied "That would make a pedestrian sentence ... ," to which the Court commented, "But when dealing with copyrighted expression, a biographer ... may frequently have to content himself with reporting only the fact of what his subject did, even if he thereby pens a 'pedestrian' sentence. The copier is not at liberty to avoid 'pedestrian'

reportage by appropriating his subject's literary devices." Salinger, 811 F.2d at 96-97.

It does not follow that the critic may never take copyrighted expression from unpublished documents. Salinger's biographer had no need to prove that in a particular letter Salinger employed an ironic tone. The original writing was quoted to make the biography more vivid--to avoid a "pedestrian" sentence.

The hypothetical examples above differ. In these examples, the fact on which the biographer/critic comments is the protected expression. The critic in examples (i) and (ii) cannot prove her point about the artist's style, development and talent (or lack) without a quotation as illustration. The journalist/biographer in examples (iii), (iv) or (v) cannot prove to her readers the corruption,

bigotry or viciousness of her subject without quoting his words. The words are the "facts" that support the conclusion. Simply to assert the conclusion without the underlying evidence would deprive readers of the opportunity to assess the fairness of the critic's conclusions.[5] The objective of fair use demands that examples like these come within its scope, notwithstanding quota-

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5. The problem of attempting to characterize without quotation is illustrated by an amusing consequence of the Salinger decision, arising in a book review by Mordechai Richler. See Richler, Rises at Dawn, Writes, Then Retires, N.Y. Times Book Review, June 5, 1988, at 7 (reviewing I. Hamilton, In Search of J.D. Salinger (1988)). Hamilton rewrote his book, going further in my opinion than the Court of Appeals required, eliminating virtually all paraphrase of Salinger's letters. Instead, Hamilton characterizes. He finds certain youthful letters "self-promoting," "boastful," "fairly buzzing with self-admiration." The reviewer Richler disagrees: "[A]n examination of these letters ... shows no such thing. They are, in fact, exuberant, self-deprecating and charged with hope." Id. at 7. Sensing that his point cannot be made effectively by mere assertion, Richler undertakes to prove it by quoting from the letters that Hamilton deleted.

tion from unpublished copyrighted sources.

I conclude, as the Supreme Court stated, that the unpublished nature of the copyrighted work tends "to negate a defense of fair use" but is "not necessarily determinative." Nation, 105 S.Ct. at 2227-28. This is not the end of the inquiry. I do not think the Salinger opinion is to the contrary. The "complete" protection of which it speaks obtains "normally," 811 F.2d at 97, not inevitably. The opinion clarifies that the "narrower" scope of fair use for unpublished material refers to the diminished likelihood that fair use will be found in a copying of unpublished material, not impossibility.

This means that a biographer/critic who purports to make fair use of unpublished copyrighted matter must make a

particularly compelling demonstration of justification, upon full consideration of the relevant fair use factors. She must show that her use of the protected expression is not done simply to enliven her text by appropriating her subject's lively expression. The use of the protected expression must be reasonably necessary to the communication and demonstration of significant points being made about the subject and must have no significant adverse effect on the market for the copyrighted work.

Privacy Interest

Plaintiff further argues that the private nature of some of the Hubbard documents, particularly diaries and personal letters, should favor a finding of infringement. It is universally recognized, however, that the protection of privacy is not the function of our copy-

right law. The copyright does not protect facts revealed in the work. Factual information derived from a copyrighted work may be freely republished without infringement. See Hoehling v. Universal City Studios, Inc., 618 F.2d 972, 978 (2d Cir.), cert. denied, 449 U.S. 841, 101 S.Ct. 121, 66 L.Ed.2d 49 (1980).

It is true that in England in the 19th century there developed a different doctrine known as the "common law copyright" whose purposes included the protection of privacy. See Brandeis & Warren, The Right of Privacy, 4 Harv.L.Rev. 193, 198-99 (1890); M. Ernst & A. Schwartz, Privacy (1962). That doctrine was developed by the British courts, in part, in response to a perceived need for legal protection of privacy in letters and other private papers. The "com-

mon law copyright" shared little other than name with the true law of copyright. While true copyright protection was established by publication, common law copyright was established by nonpublication; true copyright protected only expression and not the facts revealed, while common law copyright protected the confidentiality of private facts as well as expression, see Prince Albert v. Strange, 2 De G & Sm. 652, 64 Eng. Rep. 293 (1849); and, because its purpose was to protect privacy, fair use was not applicable to the common law copyright.

It is questionable whether the constitutional grant of power to Congress "To promote the Progress of Science and useful Arts...." U.S. Const., Art. 1, § 8, cl. 8, would sustain an exercise of Congressional power to override the state law function of determining privacy

rights. There is little or no relationship between the objective of the enabling clause and such a statute that would justify the national government in usurping a state prerogative. But even if Congress has that power, whether under the Copyright Clause, the Commerce Clause, the First Amendment or the Fourteenth, it is clear that Congress has not exercised it in the 1976 enactment. Our copyright law protects only the artistic expression and not the factual content, regardless whether considered private or secret. Fair use is expressly made applicable by our statute to unpublished works, (notwithstanding the "narrower scope" explained in Nation and Salinger). In addition, our statute requires the copyright owner to make public disclosure of his work as a precondition to protecting his copyright

interest.[6] Suit may not be brought to enforce a copyright unless the document sought to be protected has first been publicly filed in the Library of Congress. 17 U.S.C. § 407. When this has been done, it is available to the public as a source for the publication of facts contained in it, free of any restraint contained in the copyright law.

Unlike the British courts, furthermore, we have no need to create a protection of privacy under the label of copyright. For in this country under state laws, an explicitly named right of privacy has developed through court decision and statute. See Cox Broadcasting

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6. See Dana, Copyright and Privacy Protection of Unpublished Works-The Author's Dilemma, 13 Colum. J. L. & Soc. Probs. 351, 377-78 (1977); Goldstein, Preempted State Doctrines, Involuntary Transfers and Compulsory Licenses: Testing the Limits of Copyright, 24 U.C.L.A. L. Rev. 1107, 1115 (1977).

Corp. v. Cohn, 420 U.S. 469, 488-89, 95 S.Ct. 1029, 1042-43, 43 L.Ed.2d 328 (1975); W. Keeton, D. Dobbs, R. Keeton & D. Owen, Prosser and Keeton on The Law of Torts § 117, at 856-62 (5th ed. 1984). An individual who seeks to protect the privacy of the content of private letters may do so by bringing suit under the right of privacy. That right has developed with remedies and limitations tailored to the policies applicable to privacy. Commentators and courts have agreed that these rights are not preempted by the exclusive jurisdiction asserted by the Copyright Act. See Factors Etc., Inc. v. Pro Arts, Inc., 496 F.Supp. 1090, 1097 (S.D.N.Y. 1980) (citing H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. at 132 (1976), U.S. Code Cong. & Admin.News 1976 pp. 5659, 5747), rev'd on other grounds, 652 F.2d 278 (2d Cir.

1981), cert. denied, 456 U.S. 927, 102 S.Ct. 1973, 72 L.Ed.2d 442 (1982); Allied Artists Pictures Corp. v. Rhodes, 496 F.Supp. 408 (S.D. Ohio 1980), aff'd, 679 F.2d 656 (6th Cir. 1982); 1 M. Nimmer, Nimmer on Copyright § 1.01[B] at 1-14.3 (1987); Dana, Copyright and Privacy Protection of Unpublished Works--The Author's Dilemma, 13 Colum. J. L. & Soc. Probs. 351, 391 (1977); Goldstein, Preempted State Doctrines, Involuntary Transfers and Compulsory Licenses: Testing the Limits of Copyright, 24 U.C.L.A. L. Rev. 1107, 1117-18 (1977).

In his recent Horace Manges lecture delivered at the Columbia Law School (soon to be published in the Columbia Law Review), Judge Jon Newman of the Second Circuit argued in favor of absorbing privacy interests into our copyright law. I agree with Judge Newman that our

preoccupation with a free press may at times obscure legitimate concerns for privacy. I would agree also that in making a fair use analysis balancing the nature of the protected work with the fair use purpose sought to be served, privacy interests may be an appropriate consideration. If the protected document is highly personal, private and intimate, if the author has a strong personal interest in deferring publication, if the public interest in the contents is minimal and voyeuristic at best (as for example with confidential sorrowful letters of a private individual who is a subject of public concern only because of having been victimized by some terrible crime or misfortune), those might well be factors disfavoring a finding of fair use.

These considerations do not favor this plaintiff, notwithstanding that some of the letters are of a personal nature and that other documents are diaries. In the first place, the author is now dead. The death of the subject is generally understood to terminate a privacy interest. See Cordell v. Detective Publications, Inc., 419 F.2d 989, 990 (6th Cir. 1969); Maritote v. Desilu Productions, Inc., 345 F.2d 418 (7th Cir.), cert. denied, 382 U.S. 883, 86 S.Ct. 176, 15 L.Ed.2d 124 (1965); Gruschus v. Curtis Publishing Co., 342 F.2d 775, 776-77 (10th Cir. 1965); Restatement (Second) of Torts § 652 I (1977). The diaries, furthermore, are not repositories of highly private personal sentiments; they are more in the nature of a travelogue. They were written some sixty years ago which also diminishes the interest in

privacy. Most important, this is not a case where the public interest in access to the contents of the documents is slight or unworthy of respect. Hubbard is a figure of great public importance for the great wealth he accumulated and the influence he wielded through his writings and religion. During his life he actively sought publicity. Any privacy interest in the contents of these documents is overwhelmingly outweighed by legitimate public concern. If this suit were brought as an action to enforce the right of privacy, it would fail on many grounds.

B. Purpose and Character of the Use

The first statutory factor is addressed to the "purpose and character" of the secondary use. This refers back to the general proposition in § 107 that fair use of copyrighted material will be

permitted for educational purposes "such as criticism, comment, news reporting, teaching, ..."

Overall Purpose and Character of the Work

The reference to "purpose and character of the use" invites examination of both the particular quoted passages and the overall character of the secondary-user work. Is it published to serve purposes of the type cited by the statute as legitimate goals of fair use? There can be little doubt that this aspect of the fair use analysis generally favors an overall finding in favor of the biography.

Hubbard is unquestionably a figure of legitimate public concern. As the founder of a religion drawing vast numbers of adherents, as the author of instructive books which have sold millions of cop-

ies, and as a figure who at times in his life sought a high degree of publicity and at other times sought seclusion and secrecy, he is a subject of great public interest. If it is arguable (which I do not judge) that his career and the Scientology religion have been advanced through deception, this is certainly a subject appropriate for critical exploration.

It is an uncomfortable role for courts to serve as literary critics, passing on whether a purported work of history, teaching or criticism is entitled to respect as such. We judges generally lack both competence and the necessary information to form such opinions. In this case, because Bare-Faced Messiah (in substantially similar form) has been previously published in England, Canada and Australia, reviews have appeared

there to which the court may refer for guidance. These credit the book as a serious work of investigation and criticism.

A reviewer for the London Sunday Times wrote: "Russell Miller has done a service to his readers by surmounting the legal obstacles placed in his way by the Scientologists who attempted to discredit him and to prevent the publication of his book. It is admirably written, well documented and it must have entailed a great deal of painstaking research. The evidence ... in his book has been gathered carefully from witnesses who were once bemused by the cult and who were fearful of giving him the information he required." (Gready Aff. Exh. D.) A reviewer for Maclean's Magazine wrote, "while scathingly critical of Hubbard and his church, Bare-Faced Messiah is,

in fact, scrupulously fair." (Id. Exh. E.) The Spectator, in its review, recommended the book for its "admirably detailed documentation." (Id. Exh. C.)

The work appears to make responsible use of its material. Although plaintiff disagrees with many of Miller's conclusions and argues that different interpretations can be drawn from the sources, plaintiff does not contend that the biography has dealt dishonestly with its sources or is for any other reason to be denied credit as a serious work of criticism and comment on a highly newsworthy subject.

I do not purport to pass in any way on the accuracy of Miller's reports or on the justification for his conclusions. I do conclude, however, that right or wrong this book is properly considered a work of "criticism, comment, news report-

ing, teaching," 17 U.S.C. § 107, which is eligible for fair use consideration. This factor favors the defendant.

This statutory factor also invites examination "whether such use is of a commercial nature or is for nonprofit education purpose." See Harper & Row Publishers v. Nation Enterprises, 471 U.S. 539, 105 S.Ct. 2218, 2231, 85 L.Ed. 2d 588 (1985). This issue is often of limited value to the fair use analysis. Even the most valuable educational books are generally published by commercial establishments for profit. Thus, the Court of Appeals stated, "We do not read Section 107(1) as requiring ... a clear-cut choice between ... 'commercial' and 'non-profit'. Were that the case, fair use would be virtually obliterated, for 'all publications presumably are for profit....'" Maxtone-Graham v. Burt-

chaell, 803 F.2d 1253, 1262 (2d Cir. 1986), cert. denied, ___ U.S. ___, 107 S.Ct. 2201, 95 L.Ed.2d 856 (1987); see also Consumers Union of the United States v. General Signal Corp., 724 F.2d 1044, 1049 (2d Cir. 1983) ("[c]ommercial uses also serve the important function of educating the public"). Scholars and critics do not lose their license to make fair use by earning their bread from their writing. Occasionally, at extremes, the factor can be significant. Appropriation of copyrighted material for use in a television commercial has been found to carry a low degree of claim to fair use protection. See Warner Bros. Inc. v. American Broadcasting Companies Inc., 720 F.2d 231, 242 (2d Cir. 1983); D.C. Comics v. Crazy Eddie Inc., 205 U.S.P.Q. 1177 (S.D.N.Y.1979). In Salinger, 811 F.2d at 96, the court

found that "Hamilton's purpose in using the Salinger letters to enrich his scholarly biography weighs the first fair use factor in Hamilton's favor, notwithstanding that he and his publishers anticipate profits." I conclude that defendant's profit-making objective does not deprive defendant of its fair use credit for a serious book of responsible historical criticism.

The Fair Use Purpose of Individual Quoted Passages

As to each instance of use of a copyrighted passage, the statute invites examination as to why the secondary work has used protected material--what purpose is sought to be accomplished by such use--and then to consider whether the use is "fair." Part of this inquiry will be whether there is convincing justification for use of the protected ex-

pression, or whether the purposes of the secondary work would have been equally well served by extracting unprotected content, such as facts and ideas contained in the passage, without using protected expression.

Notwithstanding the general critical or historical purpose of the work, if a particular passage is cited only for the factual information contained in it, the copyright owner's particular expression may be of small importance to the biographer's purpose. In such a case the fair use justification would be slight. See Salinger, 811 F.2d at 96-97. Justification also would be questioned if the use of the protected expression in the biography had no real purpose other than to display the distinctiveness of the subject's writing because this would be taking precisely what the copyright is

designed to protect. See Salinger, 811 F.2d at 96; Craft v. Kobler, 667 F.Supp. 120, 127 (S.D.N.Y. 1987). On the other hand, in cases where the biographer's point of significance about the subject's character cannot be made effectively without quotation of the subject's particular words, justification will be far greater. See Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1261 (2d Cir. 1986), cert. denied, ___ U.S. ___, 107 S.Ct. 2201, 95 L.Ed.2d 856 (1987); Consumers Union of the United States v. General Signal Corp., 724 F.2d 1044, 1049-50 (2d Cir. 1983), cert. denied, 469 U.S. 823, 105 S.Ct. 100, 83 L.Ed.2d 45 (1984).

I have begun by comparing each cited passage with the source material. For each passage that involves the taking of protected expression, I have made an

analysis of fair use purpose. A table, giving the court's observations on each challenged passage, is filed as an appendix to this opinion.* Miller's fair use purposes are discussed below.

I stress that in passing on the disputed contention of fair use, I draw no conclusion as to the ultimate merits of the underlying disagreement between the adherents of Hubbard and the biographer as to the merits of criticism contained in the biography. There is, of course, great antagonism and factual dispute between them. There is no evidence before the court as to where the truth lies. It is not part of my task to make such conclusions. See Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1261 (2d Cir. 1986). I limit myself to analysis of

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* Appendix omitted by the court for purposes of publication.

the fair use purposes and the justification asserted.

I conclude, for reasons explained below, that the very large majority of Miller's takings of Hubbard material display a powerful and compelling fair use purpose. These are not, as the Court of Appeals found in Salinger and this court found in Craft, appropriations of the literary talent of the subject to enliven and improve the secondary work. They are, rather, instances akin to hypothetical examples (iii)-(v) above where the critic exhibits chosen words of the subject to prove a critical point or to demonstrate a flaw in the subject's character.

It is a principal objective of Miller's biography to argue and prove that Hubbard's dominating traits of character

included dishonesty, boastfulness and pretension, paranoia, bigotry and snobbery, cruelty and disloyalty, aggressiveness, cynicism and derangement at times approaching insanity. The vast majority of Miller's takings of Hubbard's words are to demonstrate these observations.

1. The Church's False Mythology of the Founder

The Introduction to Miller's book asserts:

> For more than thirty years, the Church of Scientology has vigorously promoted an image of its founder, L. Ron Hubbard, as a romantic adventurer and philosopher whose early life fortuitously prepared him, in the manner of Jesus Christ, for his declared mission to save the world. The glorification of 'Ron', superman and saviour, required a cavalier disregard for facts: thus it is that almost every biography of Hubbard published by the church is interwoven with lies, half-truths and ludicrous embellishments. The wondrous irony of this deception is that the true story of L. Ron Hubbard is much more bizarre, much more improbable, than any of the lies. (BFM 1.)

Thereafter a central theme of the biography is to set forth the image of the mythological super hero promulgated by Hubbard's own writings and by the publications of the Church of Scientology and to show that their claims concerning Hubbard and his ministry are false. The first 15 chapters begin with characterizations and brief excerpts from Church and autobiographical publications which establish the Hubbard mythologies. The chapters then undertake to demonstrate the falsity of such claims. The takings consist of a few sentences or phrases from book-length works. Some examples[7] follow:

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7. The quotations in the text are examples. My findings as to each category are contained in the Appendix. [Editor's Note: Appendix omitted by the court for purposes of publication.]

Chapter 1

> According to the colorful yarn spun for the benefit of his followers, L. Ron Hubbard was descended ... from a French ... Count ... who took part in the Norman invasion of England in 1066 ... English settlers who had arrived in America in the Nineteenth Century ... [and] a distinguished naval family....
>
> [T]he story goes, little Ron grew up on his wealthy grandfather's enormous cattle ranch in Montana, said to cover a quarter of the state [approximately 35,000 square miles!].... 'L. Ron Hubbard found the life of a young rancher very enjoyable. Long days were spent riding, breaking broncos, hunting coyote and take his first steps as an explorer. For it was in Montana that he had his first encounter with another culture--the Blackfoot [Pikuni] Indians. He became a blood brother of the Pikuni and was later to write about them in his first published novel, Buckskin Brigades.' ... (No. 1, BFM 7.)

The biographer asserts, "Virtually none of this is true." (BFM 7.)

Chapter 2

> Fundamental to the image of L. Ron Hubbard as prophet are the tales of his teenage travels.... In the high hills of Tibet he lived with bandits

who accepted him because of his 'honest interest in them and their way of life'.... On an unnamed island in the South Pacific, the fearless boy calmed the natives by exploring a cave that was supposed to be haunted and showing them that the rumbling sound from within was nothing more sinister than an underground river. 'Deep in the jungles' of Polynesia he discovered an ancient burial ground 'steeped in the tradition of heroic warriors and kings ... Though his native friends were fearful for him, he explored the sacred area--his initiative based on doing all he could to know more.' (Nos. 4, 5, 6, BFM 26.)

Chapter 3

Hubbard's amazing adventures as an explorer are graphically described in Mission Into Time, a book published by the Church of Scientology. It seems that Hubbard spent more than four years, from 1925 to 1929, journeying throughout Asia, financed on his travels by his 'wealthy grandfather'....
In 1931 ... he [became] director, at the age of twenty, of the Caribbean Motion Picture Expedition, which apparently provided invaluable research of the University of Michigan....

Yet this was nothing compared to what was to come in 1932, when L. Ron Hubbard demonstrated his true worth as 'an exceptional explorer' by carrying out, as leader of the West Indies Mineral Survey, the first complete miner-

> alogical survey of Puerto Rico. 'This was pioneer exploration in the great tradition, opening up a predictable, accurate body of data for the benefit of others....' (No. 8, BFM 40.)

The purpose of Miller's quotations is to show first the mythological presentation of Hubbard by the Church and second to show their falsity. The biography undertakes to show that contrary to the Church mythology cited above, Hubbard led a relatively humdrum, banal and impecunious life in a small town. There was no wealthy grandfather and no gigantic ranch. Although it is true he traveled to the Orient to visit his father who was stationed with the Navy in Guam, the romantic claims of adventure are fabricated. For example,

> [N]o trace may be found of the many contributions to science which Ron claimed on behalf of the Caribbean Motion Picture Expedition. The Hydrographic Office has no record of receiving the expedition's underwater films,

> the University of Michigan can find none of the specimens brought by the 'gentleman rovers'.... Mystery similarly surrounds the West Indies Minerals Survey, that 'pioneer exploration in the great tradition' during which Ron is said to have completed the first mineralogical survey of Puerto Rico. This would certainly have been an impressive achievement for a twenty-one-year-old civil engineering student, but the US Geological Survey knows nothing about it, neither does the Puerto Rican Department of Natural Resources.... (BFM 56-57.)

I conclude that these brief quotations present a strong fair purpose. The biographer's purposes could not be wholly accomplished by merely citing the facts alleged to be false, without the manner of expression. The copying is justified first to convey the grandiose presentation of Hubbard. Some of the passages are quoted not to show falsity but to show the aggrandized, boastful, pretentious mythic idiom employed by the Church in its descriptions. (See, e.g.,

Nos. 30, 67.) Second, when the objective of a critic is to show falsity of the original, she should be allowed to quote so that she can state with precision the exact contours of the assertion she undertakes to disprove. Truthfulness and falsity often lie in characterization and emphasis, rather than in simple factual assertion. If the critic must characterize rather than quote the challenged assertion, the reader will have no ability to judge independently whether the subject in fact said what he is charged with, or whether his statements were false as claimed. Such quotations serves importantly the fair use purposes of research, history, criticism, comment and news reporting.

2. Hubbard Dishonesty

Over thirty of the passages cited by plaintiff involve copyrighted material that is quoted to show personal dishonesty on Hubbard's part, including what Miller characterizes as lies with respect to Hubbard's experiences (Nos. 1, 2, 3, 17, 51, 52, 106-114, 193 and 199), his qualifications (Nos. 7, 22, 49, 50, 53, 54, 194), and his monetary entitlements (Nos. 151-160).

For example, in the chapter entitled "The Hero Who Never Was," Miller describes Hubbard's wartime Navy career as incompetence, misadventure, cowardice and vain-glorious dreams of heroism without ever seeing combat, all of which were soon transformed into a fabricated, baseless history of heroism. Miller writes that three days after the Japan-

ese surrender, Hubbard was admitted to a Naval hospital in Oakland, California "not as a result of heroic war wounds, but to be treated for 'epigastric distress' ... a suspected duodenal ulcer.... He, of course, saw it somewhat differently:

> 'Blinded with injured optic nerves, and lame with injuries to hip and back, at the end of World War Two I faced an almost non-existent future ... I was abandoned by family and friends as a supposedly hopeless cripple and a probable burden upon them for the rest of my days ... I became used to being told it was all impossible, that there was no way, no hope. Yet I came to see and walk again ...'" (No. 17, BFM 110.)

Miller goes on quoting Hubbard's later reminiscences in a copyrighted lecture in which he describes that hospitalization as recuperation "from an accumulation of too much wartime Scotch and overdoses of lead." (No. 52, BFM 231.) The biography also quotes (Nos. 151-160)

passages from a series of letters to the Veterans Administration in which Hubbard made what Miller describes as false claims for a pension based on nonexistent wartime injuries. According to the biography, after the award of a disappointingly small military pension, Hubbard lodged an appeal, "producing a dramatic new disability which he had somehow neglected to mention in his original claim form.

> 'I have lost between sixty and eighty percent of my vision,' he claimed.... 'My income at the present time, due entirely to service connected injuries, is zero....'" (No. 151, BFM 125.)

Thereafter on July 4 he had spent part of the holiday composing "yet another stirring appeal ... and introducing a further hitherto unmentioned disability, this time a 'chronic and incapacitating bone infection'." (No. 153, BFM 128.)

The contention of the biography is that in wartime service Hubbard saw no combat, acquired neither "overdoses of lead," nor other incapacitating injuries, that his claims were false, self-dramatizing and fraudulent.

Another series of passages, quoted by Miller from Hubbard's unpublished Asia Diaries 1927-1929 (Nos. 106-114), are used to show Hubbard's proclivity to exaggeration, self-aggrandizement and falsity. These passages taken from two separate accounts in his diaries describe Hubbard's sudden departure from Helena, Montana, and his voyage aboard a naval vessel to visit his father in Guam. Miller states, "Although they were represented by a few pages in his journal, many of the details do not match; indeed some passages read suspiciously like the

adventure stories he was constantly scribbling." (BFM 37.) These episodes, full of drama, near disaster, and last-second intervention of good fortune are argued by Miller to be false.

Hubbard describes, for example, how thanks to a series of last-minute breaks in his favor, he was able to board the U.S.S. Henderson only an hour before she was due to sail. The ship's log in contrast shows that he boarded nearly 24 hours before her departure. As to permission of the Navy to board, which Hubbard's diary claimed he did not know he needed until approximately two days before the ship's departure, military records obtained by Miller show that Hubbard had submitted a formal application for a passage on the Henderson more than a month before his departure. (Nos.

106-113, BFM 38.) At the conclusion of the diary account, Hubbard wrote, and Miller quotes (No. 114, BFM 39), "I will tell you the secret of this strange life I led. Sssh! I was born on Friday the Thirteenth." This also, Miller observes, was not true. Hubbard was born on a Monday.

As noted in the preceding section discussing the Church-sponsored mythology, when the purpose of a reference is to show that the copyrighted matter was dishonest, the fair use doctrine must accord substantial latitude to quote copyrighted expression, so that the claim of falsity can be leveled with precision at the exact utterance. It is incompatible with the ends of fair research and criticism to accuse of dishonesty without being permitted to specify

what were the dishonest words. Such a purpose argues strongly in favor of a finding of fair use.

3. Boastfulness, Pomposity, Grandiosity, Pretension, Self-Importance

In many cited passages, Hubbard's copyrighted material is used by the biographer to illustrate his boastful and pompous mannerisms, or his grandiosity, pretension or self-importance.

Of his book entitled Dianetics, Hubbard wrote, and Miller quotes, that it is "a milestone for Man comparable to his discovery of fire and superior to his inventions of the wheel and the arch.... The hidden source of all psychosomatic ills and human aberration has been discovered and skills have been developed for their invariable cure." (Nos. 18-19, BFM 155.)

Another Hubbard book, The History of Man, he introduced as "a cold-blooded and factual account of the last sixty trillion years." With the insights gained from this book and Scientology, "the blind again see, the lame walk, the ill recover, the insane become sane and the sane become saner." (Nos. 38-39, BFM 204.) His discoveries make it "possible at last to vindicate the theory of evolution proposed by Darwin." (No. 36, BFM 204.)

Of his manuscript Excalibur, Hubbard wrote in a letter which Miller quotes, "I have high hopes ... of smashing my name into history so violently that it will take a legendary form." (No. 145, BFM 81.)

Upon his short-lived move to Rhodesia at the time of its independence in 1966,

he unsolicitedly drafted and sent to the Government a "Tentative Constitution of the Nation of Rhodesia." "Before God and man we pledge ourselves, the Government of Rhodesia and each of our officers and men of authority...." (Nos. 197-98, BFM 258.)

As examples of the early development of Hubbard's pretentiousness, Miller quotes a melodramatic entry from his youthful diaries written at age 18, "Another boat caught. Is ever thus?" (No. 117, BFM 41.) Miller notes that "At the age of eighteen ... writing as if he was a well travelled man of the world, a carefree, two-fisted, knock-about adventurer" (BFM 44), Hubbard wrote of

> the untrustworthy, lying, cruel, changeable satirical Lady Luck.... This humorist of humorists, this demon of demons has dragged men from their

> places in the sun into the slime of oblivion; has made beggars kings; has, with a whisper, made and crushed thousands; has laughed at the beings who supposed they ruled our destinies; and has killed enough men to patch hell's highway its blistering length. (No. 140, BFM 44.)

Other passages which I find to fall into this category of strong fair use purpose involve Hubbard's boasts of his talents and qualifications. In one, quoted above, he claimed to have learned an Asian primitive language, "Igoroti," "in a single night." (No. 7.)

> I remember one time learning Igoroti, an Eastern primitive language, in a single night. I sat up by kerosene lantern and took a list of words that had been made by an old missionary in the hills of Luzon [Philippines]. The Igorot had a very simple language. This missionary phoneticized their language and made a list of their main and their usage and grammar. And I remember sitting up under a mosquito net with mosquitoes hungrily chomping their beaks just outside the net, and learning this language--three hundred words--just memorizing these words and what they meant. And the next day I started to get them in line and align

> them with people, and was speaking Igoroti in a very short time. (No. 7, BFM 26.)[8]

In passages Nos. 49-50, he purports to possess qualification to assess the medical dangers of radiation, "more of a mental than a physical problem." (BFM 227.) He wrote to the FBI:

> I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. (No. 192, BFM 222.)

In instructions to his press officer, he stressed the importance of emphasizing that he worked in the field of "nuclear physics on life sources and life energy" so as to avoid the pejorative

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8. In some places the passage alleged to be infringing in plaintiff's table differs from the passage in the book. The passages quoted above reflect the author's actual text.

label of "psychiatrist or spiritualist." (No. 194, BFM 238.)

Qualities such as boastfulness, pomposity, pretension and self-importance cannot be effectively conveyed by a biographer/critic without quotation. It is the subject's conception of himself that the biographer seeks to convey through the subject's own words. Indeed, this argument is supported by the plaintiff's contention that this quoted material and others cited elsewhere appears unflattering to Hubbard only because of Miller's "bias and slant," Long Aff. ¶ 28, and that "there are two sides to every coin." Id. ¶ 29. All the more reason to let the readers make their own judgment based on the original material rather than to force them to accept or reject blindly the biographer's characteriza-

tion. These are compelling examples of a strong fair use purpose.

4. Paranoia

At least five of the biography's well-justified uses of copyrighted passages are to show Hubbard's paranoia (Nos. 29, 58-59, 65, 191.)

A passage from a Church publication asserted that the U.S. Government, resentful of Hubbard's resignation from the Navy, and wishing "to monopolize all his researches ... tried to blackmail him [and] soon began vicious, covert international attacks upon his work...." (No. 29, BFM 163.) A Church bulletin described two armed secret service agents, after an innocent reference to President Nixon in a Scientology magazine, "[h]ulking over desks, shouting violently, ... stated that they daily

had to make such calls on 'lots of people' to prevent Nixon's name from being used in ways Nixon disliked...." (No. 58, BFM 240.) In a letter to the FBI Hubbard complained of persecution of Scientologists, "some of whom were being mysteriously driven insane, possibly by the use of LSD, 'the insanity producing drug so favoured by the APA [American Psychological Association]'." (No. 191, BFM 222.)

In another letter to the FBI he wrote that:

> [H]is 'alleged wife' had caused him to make out a will leaving her shares in the copyrights and Foundations. Later when he was asleep ... he was 'slugged'.... his health had been poor thereafter. Arriving in Los Angeles, his wife left their baby unattended in a car and he was arrested for it--'I could never understand why.' ... 'On December 5, while asleep in my apartment ... in Los Angeles, I was again attacked and knocked out. When I woke I debated considerably about going to the police but was again afraid of

publicity for again I did not know who might have done this.' ... 'I was in my apartment on February 23rd, about two or three o'clock in the morning when the apartment was entered, I was knocked out, had a needle thrust into my heart to give it a jet of air to produce "coronary thrombosis" and was given an electric shock with a 110 volt current. This is all very blurred to me. I had no witnesses. But only one person had another key to that apartment and that was Sara.' (Nos. 164-68, BFM 190.)

5. Snobbery, Bigotry, Disdain for Asians

A number of passages from Hubbard's unpublished Asia Diaries 1927-1929 are quoted for the purpose of showing his bigotry, his outspoken disdain for Asians, and dislike for the Orient. A few examples follow. "'When it comes to the Yellow Races overrunning the world, you may laugh,' he noted.... '[The Chinese] have neither the foresight or endurance to overrun any white country in any way except by intermarriage. One

American marine could stand off a great many yellowmen without much effort.'" (Nos. 127-29, BFM 42.) "They smell ... of all the baths they didn't take. The trouble with China is, there are too many Chinks here." (No. 133, BFM 43.)

In several passages (Nos. 122-126, BFM 42), Hubbard expresses disdain for masterpieces of Chinese architecture and art. The Temple of Heaven, which Miller characterizes as "probably the supreme achievement of traditional Chinese architecture," Hubbard considered "'very gaudy and more or less crudely done.'" (No. 122, BFM 42.) "The summer palace was 'very cheap as to workman-ship' and the winter palace was 'not much of a palace in my estimation.'" (No. 123, BFM 42.) "The Lama temple ... was 'miserably cold and very shabby ... The peo-

ple worshipping have voices like bull-frogs'.... As for the Imperial palaces in the Forbidden City, one was 'very trashy-looking' and most of the others were 'not worth mentioning'." (Nos. 124-25, BFM 42.)

Quotation from criticism can involve problematic assertions of fair use. The original author was himself expressing critical judgments protected by the copyright. The exception to copyright protection for fair use cannot be permitted to swallow the basic right. To use an exaggerated example of the problem, the subsequent critic or biographer could not justify extensive quotation, effectively usurping the original criticism, simply by asserting that she was quoting it to show how astute and incisive the subject's criticism was. This would be

all the more true where the copyrighted matter was unpublished. With these cautions in mind, I conclude nonetheless that these brief quotations from unpublished copyrighted work display a compelling fair use purpose. In no sense does Miller appropriate Hubbard's expression of his art criticism to add vigor and vividness to the secondary text. These quotations are in mockery, to show Hubbard's bigotry, bias and coarse lack of taste. This is not an instance of the biographer/critic free riding on the creative talent of the subject.

6. Cruelty, Disloyalty

Two letters concerning a bigamous marriage that was acrimoniously terminated in 1951 are quoted in part to depict Hubbard's vindictive cruelty and disloy-

alty. The use of his words serves a strong fair use purpose.

According to the biography, the marriage ended after Hubbard tried unsuccessfully to kidnap their baby daughter from his wife. After the failure of his kidnap attempt, Hubbard never saw his wife or baby again. The first letter (quoted in the preceding section) was written to the FBI shortly after the breakup and was designed for revenge. In this letter, written during McCarthyite hysteria over communist infiltration, Hubbard gratuitously told the FBI that his recently estranged wife was involved with communists and also "was strangely intimate with many [atomic] scientists of Los Alamo Gordos...." He accuses her of attempts to murder him and adds "[s]he was born into a criminal

atmosphere, her father having a criminal record. Her half-sister was an inmate of an insane asylum. She was part of a free love colony in Pasadena.... She may have a record...." (No. 161-74, BFM 191.)

The second letter was written 20 years later to the daughter Alexis whom Hubbard had tried to kidnap. The girl, then 21 years old, wrote to her father in the hope of meeting him. Hubbard wrote back. He "denied he was her father: 'Your mother was with me as a secretary in Savannah in late 1948 ... In July 1949 I was in Elizabeth, New Jersey, writing a movie. She turned up destitute and pregnant'.... Hubbard told Alexis that her mother had been a Nazi spy during the Second World War and suggested that the divorce action was a

spurious ploy on her part to win control of Scientology--... 'This proved a puzzle since where there is no legal marriage, there can't be any divorce.'" (No. 200, BFM 306.)

7. Aggressiveness, Vicious and Scheming Tactics

Several passages are quoted to illustrate Hubbard's aggressiveness and vicious scheming tactics against perceived enemies. Miller writes, quoting Hubbard:

> 'The law can be used very easily to harass, and enough harassment on somebody who is simply on the thin edge anyway, well knowing that he is not authorized, will generally be sufficient to cause his professional decease,'

he wrote in one of his interminable bulletins, casually adding,

> 'If possible, of course, ruin him utterly.' (No. 47, BFM 223.)

> 'The only way to defend anything, Hubbard wrote, was to attack. If you ever forget that you will lose every battle you are ever engaged in'. (No. 48, in part BFM 223.)
>
> 'Don't ever defend, always attack. Don't ever do nothing. Unexpected attacks in the rear of the enemy's front ranks work best.' (No. 63, in part BFM 241.)

An example of his own practice of these tactics is cited in his letter to the FBI (Nos. 161-174, BFM 189-91), denouncing his recently estranged wife as a communist and a threat to national security.

8. Cynicism

Miller uses several short passages from Scientology bulletins and letters to illustrate Hubbard's cynicism. In one instructive bulletin to Scientology members captioned the Special Zone Plan, Hubbard shows how Scientologists should seek insidiously to exert influence in

politics. "Don't bother to get elected.... Get a job on the secretarial staff or the bodyguard." (No. 60, BFM 241.) To a trusted confidant Helen O'Brien, Hubbard wrote discussing "the possibility of setting up a chain of ... 'Spiritual Guidance Centers'. They could make 'real money', he noted, if each clinic could count on ten or fifteen pre-clears [people who have not yet cleared a stage of emotional evolution through Scientology] a week, each paying $500 for twenty-four hours of auditing. He had clearly previously discussed the prospect of converting Scientology into a religion. 'I await your reaction on the religion angle,' he wrote. 'In my opinion, we couldn't get worse public opinion than we have had or have less customers with what we've got to sell.

A religious charter would be necessary in Pennsylvania or NJ to make it stick. But I sure could make it stick.'" (Nos. 176-77, BFM 212-13.)

A major point in the biography is the cynical mercenary origin which Miller finds in Hubbard's conception of the Scientology religion. The book recites instances in which early in his life Hubbard had mused on religion as a possible source of wealth. The passage cited above from the letter to Helen O'Brien is particularly significant for the biographer's attempt to trace the foundation of the religion to greed for money.

As one of the major themes of the biography is the dishonesty of Hubbard and his role as "a con man" (BFM 6), the excerpts from Hubbard's writings which contain apparent acknowledgements of

dishonesty and espousal of a strategy or philosophy of deception are particularly important. In a published dictionary which he entitled Modern Management Technology Defined, Hubbard preached "Truth is what is true for you." (No. 69, BFM 348.) This principle was apparently derived from a Commander Thompson, one of Hubbard's inspirations, whom Hubbard credited with the aphorism "If it's not true for you, it's not true." (BFM 231.) The reference was included in a typed and copyrighted lecture given by Hubbard in Washington in 1958, reviewing his history and that of Dianetics and Scientology. The lecture contains numerous references to the tactic of deceit. Hubbard recounts in it how at the military hospital (where he was recovering from "overdoses of lead"):

> I found that by taking off one collar ornament I became an MD. They don't let anybody in a medical library except doctors but by stopping off with one collar ornament and for a couple of bucks having a Marine on crutches come by and say, "Good Morning, doctor", I was able to get in a year's study at the medical laboratory. (No. 53, BFM 231.)

Later on, the narration continues, "I went down to the middle of Hollywood, rented an office, wrapped a towel around my head and became a swami." (No. 54, BFM 231.) "'[I]f there is anyone in the world calculated to believe what he wants to believe, it is I.' Never [Miller observes] did L. Ron Hubbard speak a truer word." (No. 55, BFM 231.)

Functionally-related fair use passages are those in which Hubbard instructed O'Brien to devise "a spurious explanation" of the function of a machine being imported [in fact intended to cure insanity] "for the benefit of the Customs

officials" (No. 185, BFM 214); and in which, after instructing his press aide to "emphasize constantly that he was working in the field of 'nuclear physics'," Hubbard added in what Miller describes as "a rare moment of candor," "'This ... will take some doing, perhaps.'" (No. 194, BFM 238.)

9. Derangement, Insanity, Bizarre Pseudo-Science

A major theme of Miller's book is the bizarreness of Hubbard's pseudo-science, particularly as expressed in his major works on Dianetics and Scientology.

One of Hubbard's most important and widely sold works was Dianetics: The Modern Science of Mental Health, first published in 1950. According to the plaintiff, the book remains on the national best seller lists 38 years after

publication. It has been on Publishers Weekly best seller list for 85 consecutive weeks since September 1986 and on The New York Times best seller list for 49 weeks. The book currently sells in excess of 7,000 copies per week. Heldt Aff. ¶ 7. It is a book of approximately 170,000 words (several hundred pages). To illustrate the strangeness of its pseudo-science and the boldness of Hubbard's claims, Miller quotes in Chapter 9 approximately 33 lines (including less than 300 words) which are claimed as infringement. (Nos. 18-28.)

The quoted passages begin with Hubbard's claim in the opening sentences that "The creation of Dianetics is a milestone for Man comparable to his discovery of fire and superior to his inventions of the wheel and of the arch ...

The hidden source of all psychosomatic ills and human aberration has been discovered and skills have been developed for their invariable cure." (No. 18, BFM 155.)

Miller notes that Hubbard claimed ability to cure asthma, eye trouble, bursitis, ulcers and the common cold, through new techniques of psychotherapy that were easy to learn, available to everyone and always worked. (BFM 155.) The cure involved gaining access to "engrams," or messages of pain and fear "often prenatal, sometimes occurring within 24 hours of conception!" (BFM 154.)

Miller notes that this science was imbued with Hubbard's "fierce prejudices," in particular his "hatred of women, exemplified by a prurient pre-

occupation with 'attempted abortions' which he claimed were the most common cause of pre-natal engrams. 'A large proportion of allegedly feebleminded children', he wrote, 'are actually attempted abortion cases ... However many billions America spends yearly on institutions for the insane and jails for the criminals are spent primarily because of attempted abortions done by some sex-blocked mother to whom children are a curse, not a blessing of God ... All these things are scientific facts, tested and rechecked and tested again.'" (Nos. 20-22, BFM 155-56.)

Miller describes other of Hubbard's claims. "If a husband beat his pregnant wife, for example, yelling, 'Take that! Take it, I tell you. You've got to take it!', it was possible the child would

interpret these words literally in later life and become a thief. Or a pregnant woman suffering from constipation might sit straining for a bowel movement muttering to herself, 'Oh, this is hell. I am all jammed up inside. I feel so stuffy I can't think. This is too terrible to be borne'. In this case, he explained, the child might easily develop an inferiority complex from an engram which suggested to him he was too terrible to be 'born.'" (Nos. 23-24, BFM 156.)

These brief excerpts from a very long and famous book intended to illustrate the bizarre quality of Hubbard's thought serve an altogether appropriate critical and educational fair use purpose. This is not an instance of using the copyright owner's literary skill to enhance

the quality of writing in the biography. The purposes of the quotations are critical--suggesting that Hubbard's philosophy is bizarre, if not insane.

The same observations are true of a few excerpts from The History of Man, in which Hubbard established the foundations of Scientology. Miller's purpose in quoting appears from his observation that this was "one of Hubbard's most bizarre works and possibly the most absurd book ever written, although it was treated with great reverence by [Hubbard's] followers. An amalgam of mysticism, psychotherapy and pure science fiction, the content invited the derision which was inevitably forthcoming.... [O]ne government report noted, 'For compressed nonsense and fantasy it must

surpass anything theretofore written.'" (BFM 204.)

Miller quotes the claims of the introduction to represent "a cold-blooded and factual account of your last sixty trillion years.... With the knowledge gained by Scientology ... 'the blind again see, the lame walk, the ill recover, the insane become sane and the sane become saner.'" (Nos. 38-39, BFM 204.) A strong example of Miller text, including segments of quotation to show the bizarre character of Hubbard's "scienti-

fic" explorations, is set forth in the margin.[9]

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9. In a narrative style that wobbled uncertainly between schoolboy fiction and a pseudo-scientific medical paper, Hubbard sought to explain that the human body was occupied by both a thetan and a 'genetic entity', or GE, a sort of low-grade soul located more or less in the centre of the body. (BFM 204.)

To underpin his new science, Hubbard created an entire cosmology, the essence of which was that the true self of an individual was an immortal, omniscient and omnipotent entity called a 'thetan'. In existence before the beginning of time, thetans picked up and discarded millions of bodies over trillions of years. (BFM 203.)

(The genetic entity apparently enters the protoplasm line some two days or a week prior to conception. There is some evidence that the GE is actually double, one entering on the sperm side ...') The GE carried on through the evolutionary line, 'usually on the same planet', whereas the thetan only came to earth about 35,000 years ago to supervise the development of caveman into homo sapiens. Thus the GE was once 'an anthropoid in the deep forests of forgotten continents or a mollusc seeking to survive on the shore of some lost sea'. The discovery of the GE (Hubbard hailed every fanciful new idea as a 'discovery') 'makes it possible at last to vindicate the theory of evolution proposed by Darwin'.

Much of the book was devoted to a re-working of evolution, starting with 'an atom, complete

Other passages quoted as suggestive of deranged self-aggrandizement include Hubbard's claim (from an unpublished

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with electronic rings' after which came cosmic impact producing a 'photon converter', the first single-cell creature, then seaweed, jelly-fish and the clam. (Nos. 33-37, BFM 204.)

Many engrams, for example, could be traced back to clams. The clam's big problem was that there was a conflict between the hinge that wanted to open and the hinge that wanted to close. It was easy to restimulate the engram caused by the defeat of the weaker hinge, Hubbard pronounced, by asking a pre-clear to imagine a clam on a beach opening and closing its shell very rapidly and at the same time making an opening and closing motion with thumb and forefinger. This gesture, he said, would upset large numbers of people.

'By the way,' he warned, 'your discussion of these incidents with the uninitiated in Scientology can cause havoc. Should you describe the "clam" to some one [sic], you may restimulate it in him to the extent of causing severe jaw pain. One such victim, after hearing about a clam death, could not use his jaws for three days.'

After the clam became the 'Weeper' or the 'Boohoo', a mollusc that rolled in the surf for half a million years, pumping sea water out of its shell as it breathed, hence its name. Weepers had 'trillions of misadventures', prominent among them the anxiety caused by trying to gulp air before being swamped by the next wave. 'The inability of a pre-clear to cry,' Hubbard explained, 'is partly a hang-up in the Weeper.

letter) that with a new machine:

I can make kids walk in a few minutes

He is about to be hit by a wave, has his eyes full of sand or is frightened about opening his shell because he may be hit.' (Nos. 40, 41 in part, BFM 205.)

Progressing along the genetic time-track, evolution arrived at the sloth, which 'had bad times falling out of trees', the ape and the famous Piltdown Man, which was the cause of a multitude of engrams, ranging from obsessions about biting to family problems. These could be traced back to the fact that 'the Piltdown teeth were enormous and he was quite careless as to whom and what he bit.' Indeed, so careless was the Piltdown Man, Hubbard recorded, that he was sometimes guilty of 'eating one's wife and other somewhat illogical activities.' (No. 42) (Unfortunately for Hubbard, just twelve months after The History of Man was published, the supposed fossil remains of primitive man found in gravel on Piltdown Common in the south of England were exposed as a hoax. The Piltdown Man had never existed. (BFM 205.)

The History of Man drifted into pure science fiction when Hubbard came to the point of explaining how thetans moved from body to body. Thetans abandoned bodies earlier than GEs, it appeared. While the GE stayed around to see the body through to death, thetans were obliged to report to a between-lives 'implant station' where they were implanted with a variety of control phases while waiting to pick up another body, sometimes in competition with other disembodied thetans. Hubbard revealed that most implant stations were on Mars, although women occasionally had to report elsewhere in the solar system and there was a 'Martian implant

> who were crippled ... I can solve any case and teach people to solve any case without failure. I know the mind like a surveyor knows a map. That sets me free, like the genie of the uncorked bottle. (No. 186, BFM 214.)

and his expectation that with this machine, he could

> walk into a sanitorium ... confront an insane patient and make him sane in a few seconds. (No. 183, BFM 213--14.)[10]

Once again these passages show a compelling fair use purpose. Where the biographer's intention is to show derangement of the mind of his subject, this often requires quotation of his words. In the subtlety of the exact words chosen can be the difference between exuberant optimistic enthusiasm

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station somewhere in the Pyrenees'. (No. 43 in part, BFM 205-06.)

10. See also portions of letter No. 161-174 for illustrations of paranoid derangement.

and delusional derangement. The biographer/critic should not be required simply to express her conclusions without defending them by example. This would be unfair to her, but more importantly, unfair also to her public readership which would be left unable to assess whether the observation was a fair one.[11] I believe that quotation of copyrighted expression for this purpose implicates a convincing fair use purpose.

10. Self-Presentation in Early Diaries

A few sentences are quoted to illustrate Hubbard's egocentric self-perception in his early diaries. Miller writes:

> His style of writing was fluent, breezy, schoolboyishly cocksure and addressed directly to the reader. 'If

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11. See supra note 5.

obviously pushed upon,' he wrote, 'I supposed I could write a couple of thousands [sic] words on that trip ... But I spare you.'

He usually referred to himself in a gently ironic tone, perhaps to avoid giving an impression of thinking rather too highly of himself. When he arrived in Washington, two troops of local scouts were battling for a prized scouting trophy, the Washington Post Cup. Troop 100, he noted, belonged to the YMCA 'and would therefore probably lose', so he joined the other outfit, Troop 10, 'which must have sighed loudly when it perceived me crossing the threshold'.

The journal also contained flashes of humour, delivered deadpan: 'Visualize me in a natty scout suit, my red hair tumbling out from under my hat, doing my good turn daily. Once I saved a man's life. I could have pushed him under a streetcar but I didn't.' (Nos. 71-73, BFM 24.)
[H]e was chosen to represent [the Washington Boy Scouts] on a delegation to the White House to ask President Calvin Coolidge to accept the honorary chairmanship of National Boys' Week. He noted the invitation in his journal with characteristic cheek: 'One fine day the Scout executive telephoned my house and told me I was to meet the president that afternoon. I told him I thought it pretty swell of the president to come way out to my house ...' (No. 74, BFM 24.)

The diaries contain Hubbard's first indications of ambition to become a writer. "[H]e began filling his journal with one paragraph synopses of short stories. ..." (BFM, p. 43.) Miller notes that, although barely 18 years old, Hubbard "gave the impression that he had been grinding away at a typewriter for years, ending one synopsis ... with a nonchalant addendum that it would include the 'usual plot complications.'" (No. 134, BFM 43.)

Another passage, No. 140, six lines long, quoted above in Section 3 illustrates Hubbard's inclination to present himself as "a well travelled man of the world, [and] adventurer." (BFM 44.)

11. Accurate Rendition of Idea

Several passages, primarily taken from Hubbard's major published writings such

as Dianetics and The History of Man, carry a strong justification for quoting modestly for the purpose of making accurate rendition of an idea commented upon in the critical work. (See Nos. 20-21, 23-24, 25-26, 32, 33, 34, 35, 37, 41.) I noted in Section 9 above a fair use purpose of illustrating the bizarre quality of some of Hubbard's ideas and pseudo-science. Where a biographer or critic seeks to pass judgment on his subject's ideas, it behooves her to set forth those ideas accurately. If she takes the liberty of restating or paraphrasing the idea in order to avoid copyright infringement, she may be charged with having bent the subject's ideas to make them vulnerable to criticisms (or simply with having distorted them). In order for the reader to be able to eval-

uate fairly the merits of the criticism, the reader must receive an accurate presentation of the ideas being criticized and often this requires either quotation or a close, faithful paraphrase. See Consumers Union of the United States v. General Signal Corp., 724 F.2d at 1049-50 ("Where an evaluation or description is being made, copying the exact words may be the only valid way precisely to report the evaluation").

Bare-Faced Messiah seeks to convince the reader of the bizarre quality of Hubbard's ideas. This cannot be done fairly without setting forth accurately the ideas which merit such criticism. The critic is not limited to telling the readers, "Trust me; those ideas are bizarre," nor required to employ a loose, distant paraphrase which risks distor-

tion. Fair use authorizes a reasonable degree of quotation or close paraphrase for the purpose of accurately stating an idea being criticized.

12. Early Writing Style

Miller uses several short passages to convey a capsule characterization of the style of Hubbard's earliest fiction writing.

These are taken from the diaries. "None of these efforts," Miller notes, "were startlingly original." For example:

> Love story. Goes to France. Meets swell broad in Marseilles. She takes him to her sink, bedroom and bath where he lives until notable citoyens object. He stands them off and takes the next boat for America having received a long expected will donation. (No. 136, BFM 43.)

One passage conveys Hubbard's unsophisticated romantic adventure style as well

as his awkward lack of ease in approaching the subject of sex:

> She took the chair with a sly glance at the boy and folded her slim brown hands in her lap. The Corpsman was suddenly aware that she was beautiful. He swam for a moment in the depths of her clear brown eyes and then seated himself quickly upon the grass. He was somewhat startled by his discovery and told himself fiercely that she was native, native, native. (No. 141, BFM 44-45.)

> 'Dimly he saw Marie on the porch and in a moment he felt her in his arms... ..' (No. 142, BFM 45.)

Other passages are also quoted to show young Hubbard's poor command of spelling and grammar, and his melodramatic style:

> A lazy sun peeped over the horizon to throw glittering streamers of light across the breakers on the surf. The laggoon ... lay blue and cool. Tropical birds winged about their daily business and two figures lay stretched on the white coral sand. Two ragged figures, several feet apart ... (No. 137, BFM 43.)

> The girl roused the boy in traditional fashion ('Bob! Bob! Speak to me!'), whereupon Bob spoke thus: '"Their ... gone, all gone, they're dead and the

ship is at the bottom."' (No. 138, BFM 43.)

One passage illustrates that "Like all writers, there were some days when it just would not come right":

> 'The sun was hot, the day was still, the palm trees gaudy green, lined the beach of that tropical isle ...
>
> 'The sun was hot, the day was still and Hospital Corpsman James Thorpe surveyed his tiny domain ...
>
> 'The sun was hot, the day was still ...
>
> 'The sun was hot and except for the monotonous drone of the sea beating the cruel reef the day was still ...' (No. 139, BFM 44.)

Such takings (Nos. 135-142) are for a proper critical fair use purpose. They are the kind of brief excerpt which one reads in any book review to illustrate the reviewer's comments on the style of the author. The Supreme Court in Nation, 105 S.Ct. at 2225, quoted Justice Story, sitting as a Circuit Justice

in Folsom v. Marsh, 9 F.Cas. 342, 344-45 (No. 4,901) (CC Mass.1841), to the effect that "a reviewer may fairly cite largely from the original work, if his design be really and truly to use the passages for the purposes of fair and reasonable criticism." Story added that when the work is cited not to criticize, "but to supersede the use of the original work," Folsom v. Marsh, 9 F.Cas. at 344-45 (quoted in Nation, 105 S.Ct. at 2225), the fair use defense is not available. The few instances in which Miller has quoted Hubbard's writing do not supersede the original work. They illustrate a critical commentary by a brief excerpt.

Fair Use Purpose Less Convincing

There are a number of quotations, nearly all from the Asia Diaries as to which

I find that the fair use purpose is far less convincing. Some of these are extremely brief and insignificant, among them No. 96 (BFM 31): a "gosh-awful trip"; No. 97 (BFM 31): "we were sure glad to see him"; No. 99 (BFM 33): He "felt rather lonely"; No. 102 (BFM 33) (of the stars): "Never in my life have I seen such beauties"; No. 109 (BFM 38): "faint from lack of sleep and food"; No. 121 (BFM 42): "rubberneck stations."

Some of the passages are more substantial. Miller quotes twelve lines of description of the Shanghai markets:

> Opening down the main avenue over which our car travelled were hundreds of narrow intriguing streets, teeming with life. Great fish floated here and there and paper banners hung overhead. The stores were stocked with every sort of junk. Dried fish rattled on strings in the wind. Queer looking foods and drygoods were side by side. Sikh policemen were everywhere. They are big dark bearded fellows and in their turbans and short

> trousers of khaki look picturesque. They carry great rattan sticks and a rifle across the back. Tommy Atkins was very much in evidence and the American marines, as well as Japanese and British marines. On the outside of the British concession I saw a British tommy take a Chinaman by the coat and knock him across the street. (Nos. 86-88, BFM 30.)

Later he quotes nine lines in which Hubbard described his climb to the crow's nest of the naval vessel.

> Then I tackled the first fifty feet of ladder. It surely looked and felt insubstantial. About half way up I thought I'd never been so nervous before. After that ladder came an even smaller steel ladder. Up I went all confidence by this time. In a moment I reached the nest and sure enough there was the lookout reading a "Western Story". He invited me to climb in. The last in itself is worse than the rest of it put together. One has to dangle with nothing under him and work half way round to the other edge. Over the side of the box I swung and then in. My god what a relief! (No. 105, BFM 34.)

There is also an 11 line description of an ancient ruined fort in Guam (No. 98, BFM 32-33). The last five lines are

perhaps a fair use comment on Hubbard's pompously melodramatic sentimentalism. But there is little apparent fair use justification for the first half of the description.

Similarly, Miller quotes nine lines in which Hubbard recorded his surprise on seeing camels in China.

> "I believe that the most startling thing one can see in Northern China", he wrote, "is the number of camels. These are of a very mean breed but they resist cold and carry burdens which is all the Chinaman requires of them. Every day in Peking one can see many caravans in the streets. They have a very stately shamble. They carry their head high; their mean mouths wagging and their humps lolling from side to side. All my life I have associated camels with Arabs and it strikes a discordant note with me to see the beasts shepherded by Chinamen." (Nos. 131-32, BFM 42-43.)

In addition, I found no compelling fair use justification for certain insignificant excerpts from a letter written by Hubbard to his wife Polly in 1939.

(Nos. 143-148, BFM 81.) Other parts of the letter, mentioned above, in which Hubbard speaks of his hope of "smashing [his] name into history so violently that it will take legendary form," carry a very compelling fair use purpose. Much of the quotation from the letter concerns description of its ideas without infringement of the protected expression. About 30 words (contained in nos. 143 (1 word), 144, 147 (5 words) and 148) are technically infringing, but these are so insignificant that they are scarcely worth noting.

* * *

In conclusion as to the first statutory factor, I find that Bare-Faced Messiah is a work exhibiting a strong, critical, educational fair use purpose and that the great majority, but not all, of

its quotations of protected expression are for a powerfully compelling fair use purpose that could not properly be accomplished without use of the subject's own words. On the other hand, in a few instances of quotation of unpublished material, I find much less compelling fair use justification. These passages undoubtedly play a role in filling out the biographer's portrait of his subject. They may, however, fall short of demonstrating a sufficiently powerful claim of a fair use purpose to satisfy the test of "narrower" scope for unpublished material.

C. Amount and Substantiality of Portion Used

The third statutory factor looks to the "amount and substantiality of the portion used in relation to the copy-

righted work as a whole." "Amount" and "substantiality" have different emphases. "Amount" cautions that the fair user should not take too large a percentage of the copyrighted work. "Substantiality" looks rather to how important a part, rather than how large a part, was taken.[12] See Roy Export Co. v. Columbia Broadcasting System, 503 F.Supp. 1137, 1145 (S.D.N.Y.1980), aff'd, 672 F.2d 1095 (2d Cir.), cert. denied, 459 U.S. 826, 103 S.Ct. 60, 74 L.Ed.2d 63 (1982). The significance of the "amount and substantiality" factor is largely subsumed in the fourth factor--effect on the market. See Fisher, Reconstructing

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12. Thus in Nation, a taking of a very small but important percentage of the protected work ran afoul of this standard. Nation, 105 S.Ct. at 2233.

The Fair Use Doctrine, 101 Harv.L.Rev. 1661, 1678 (1988).

This factor is somewhat inconclusive. As to the takings from published works, it strongly favors the defendant. Many of Hubbard's books are hundreds of pages long.[13] Those from which extracts are taken aggregate over 1. million words, of which Bare-Faced Messiah takes less than 2,000 (Gready Aff. ¶ 2) consisting of scattered, illustrative phrases, sentences and occasionally paragraphs.

As to the unpublished works, the picture is mixed, and depends on what is considered the "copyrighted work as a whole." If the passages taken are compared to the body of unpublished Hubbard

13. The entire corpus of Hubbard's published work is even larger. Plaintiff has filed submissions to the effect that Hubbard produced nearly 600 fiction and non-fiction works. Heldt Aff. ¶ 2.

letters, memos and journals, it appears the takings represent an insignificant fragment. Hubbard's executor evasively estimated the volume of this body of work between 5,000-75,000 pages. (Greadi Aff. ¶ 3 Exh. A, p. 125.) It is impossible for the court to judge its volume because plaintiff has refused to produce it for inspection. Drawing a warranted inference against the plaintiff for its refusal to produce evidence within its control, I conclude that a relatively insubstantial portion of the overall bulk is taken. In some instances, however, a taking from a letter involves the major part of that letter. Considering separately the Asia Diaries which Hubbard kept during his teenage voyages, the takings are more than negligible.

I am mindful of the Supreme Court's quotation from the Senate Report that "'Isolated instance of minor infringements, when multiplied many times, become in the aggregate a major inroad on copyright that must be prevented.'" Nation, 105 S.Ct. at 2235 (quoting S. Rep. No. 94-473, at 65). The issue does not lend itself easily to generalizations as different configurations of takings will yield very different analyses. Where the aggregation of many minor takings in fact produces a "major inroad" that effectively supersedes the original and adversely affects the potential market for the copyrighted work, that is a powerful factor tending to negate fair use. Where, on the other hand, the aggregate of separate instances of fair use takings do not im-

pair the potential market, this factor will not tend to negate fair use.

I note in passing that the numbers plaintiff uses to argue this issue are not reliable, either as to the instances of infringement or the word count. Plaintiff's count of 201 instances of infringement results from the use of a series of numbers to identify successive passages taken from the same document. In some cases the subdivision is arbitrary, perhaps designed to produce an impressive allegation. For example, in one letter a separate number is given to the quotation of the letterhead "L. Ron Hubbard, D.D., Ph.D." (No. 187), while three more numbers are assigned to passages from the body of the letter. (Nos. 188-90.) In one case, fourteen

numbers are assigned to excerpts from one letter (Nos. 161-74).

Some of the plaintiff's word counts are also substantially exaggerated. The copyright protects only the author's particular expression and not the facts (or ideas) communicated by his writing. See Hoehling v. Universal City Studios, Inc., 618 F.2d 972, 978 (2d Cir.), cert. denied, 449 U.S. 841, 101 S.Ct. 121, 66 L.Ed.2d 49 (1980); Rosemont Enterprises, Inc. v. Random House, Inc., 366 F.2d 303 (2d Cir. 1966), cert. denied, 385 U.S. 1009, 87 S.Ct. 714, 17 L.Ed.2d 546 (1967). In many of the passages cited by plaintiff as infringing, plaintiff includes (and counts) not only the quote (or close paraphrase) of Hubbard's expression but also the surrounding material which reports facts in Miller's own

words. In many of the passages cited by plaintiff, only a small portion involves a quote or close paraphrase of protected expression. In several of these, plaintiff cites a 30-60 word passage as infringing, whereas in fact only 6 or 8 words involve a taking of protected expression.

For example:

BFM

78. First stop, six days out, was Honolulu, where the President Madison was greeted in the harbour by flotillas of small boats rowed by lithe, brown-skinned urchins who dived for quarters flipped overboard from the deck of the steamship. They used to dive for pennies, Ron noted laconically, 'thus has the Hawaiian developed his commerce'.

Hubbard

Six days later at dawn we hurried on deck to view Hawaii. Coming into the harbor at Honolulu, all the beach boys swam out to the ship to dive for quarters. It used to be pennies. Thus the Hawaiian developed his commerce.

BFM

93. There was considerable confusion unloading the baggage from the President Madison, which Ron blamed on the 'lazy, ignorant natives', and it was some time before their trunks were safely on their way and May and Ron could relax with a glass of lemon squeeze at the Manila Hotel.

Hubbard

After a hard docking against tide and wind, we found ourselves confronted with a baggage problem. A lot of lazy, ignorant natives gathered our grips. We hopped into a carrameta and went to the Manila Hotel where Mother and I indulged in a glass of "lemon squeeze".

In a few instances, no doubt by mistake, the table cites the same material twice (Nos. 8, 10, 11), and quotes sentences which simply do not appear in defendant's book. (Nos. 13, 14.) (By letter plaintiff's counsel has withdrawn allegations of infringement as to these passages (see letter of May 10, 1988.))

I attach little importance to plaintiff's overcounting other than to point out that its numbers are unreliable. Even after correcting such overcounts, there remains a substantial amount of taking of protected expression sufficient to raise a serious problem of copyright infringement if the takings are not protected by fair use.

D. Effect on the Market

The fourth statutory factor looks to the effect of the claimed fair use on the "potential market price or value of the copyrighted work." The Supreme Court designated this as "undoubtedly the single most important element of fair use." Nation, 105 S.Ct. at 2234; see Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc., 626 F.2d 1171, 1177 (5th Cir. 1980). The

Court cites Nimmer to the effect that fair use is limited to copying "'which does not materially impair the marketability of the work which is copied.'" Id. (quoting 1 M. Nimmer, Nimmer on Copyright, § 1.10[D], at 1-87 (1984). The Court had no difficulty affirming District Judge Owen's finding that the Nation's taking of the "heart" of the presidential memoirs had caused Time Magazine to cancel its serialization. These observations focus attention on the essentially commercial nature of the copyright interest. The fair use statute thus recognizes the public interest in criticism, news reporting, research, teaching, etc., and the importance to these undertakings of quotation from copyrighted material, but specifies that such quotation must not

impair the author's right to realize the profits of his endeavors.

As to this factor, I credit plaintiff's assertion that it will commission an authorized biography of Hubbard and that the entire archive of Hubbard's writings, including the documents quoted by Miller, will be available for this project. A part of plaintiff's contention is that the market for the licensing of Hubbard's copyrights for use in such a biography is impaired by Bare-Faced Messiah.

In assessing this factor, we must distinguish between different causes of effect on the market for the copyrighted work. The statute seeks to protect only against causes that are within the protection of the copyright law. One significant distinction is between ad-

verse market effect that is caused by adverse criticism and the effect caused by providing the copyrighted author's work to the readers within the covers of the secondary user's book. The cause with which the statute concerns itself is the latter--a taking which sufficiently offers the author's work in a secondary packaging that potential customers, having read the secondary work, will no longer be inclined to purchase again something they have already read. See Consumers Union of the United States, Inc. v. General Signal Corp., 724 F.2d 1044, 1051 (2d Cir. 1983), cert. denied, 469 U.S. 823, 105 S.Ct. 100, 83 L.Ed.2d 45 (1984); Triangle Publications, Inc. v. Knight-Ridder Newspapers, Inc., 626 F.2d 1171, 1177-78 (5th Cir. 1980); W. Patry, The Fair

Use Privilege in Copyright Law 403-04 (1985).

Nor does the statute concern itself with effect on the market caused by secondary communication to the public of facts which are not within the copyright protection. Thus an autobiography and an independent biography of the same subject compete with one another for that portion of the public's time and money which it is willing to spend on books about that subject. The statute does not concern itself with market effect resulting from the competition to apprise the public of an area of factual interest. See Hoehling v. Universal City Studios, Inc., 618 F.2d 972, 978 (2d Cir.), cert. denied, 449 U.S. 841, 101 S.Ct. 121, 66 L.Ed.2d 49 (1980); Rosemont Enterprises, Inc. v.

Random House, Inc., 366 U.S. 1009, 87 S.Ct. 714, 17 L.Ed.2d 546 (1967).

I recognize that Bare-Faced Messiah may conceivably have an adverse effect on the market for Hubbard's work of the type which is not within the statute's concern. Miller advances a hostile, derogatory account of Hubbard, suggesting that Hubbard was dishonest, conniving, opportunistic and insane. Readers of Bare-Faced Messiah who credit this critique may lose interest in purchasing Hubbard's own writings or an authorized Hubbard biography. That is unquestionably an "effect on the market for the copyrighted work," but it is not the kind of effect that the statute contemplates. If it were, fair use would be accorded only to favorable critics.

Similarly, there may be purchasers who are sufficiently interested in Hubbard to purchase one book about him, but not two. Bare-Faced Messiah may have an adverse impact on the marketability of Hubbard's writings with those purchasers simply by exhausting their interest. That is not within the concern of the copyright statute.

I do not believe, however, that Bare-Faced Messiah's use of Hubbard's expressions will have any effect (of the type contemplated) on the market for Hubbard's writings. Although it is true that substantial portions are taken from particular letters, the takings do not communicate the aggregate expression of any body of Hubbard's written work. What they do is communicate critical points made by Miller about Hub-

bard. Although the takings are numerous, and in the aggregate, substantial, they are drawn from a wide variety of sources, and constitute only small fragments of the aggregate of these sources.

I do not accept the defendant's argument that the potential customers for Hubbard's writings are divided into two groups--those who are for and those who are against Hubbard. Defendant postulates that Hubbard's supporters would not be dissuaded from buying his works by anything they read in Bare-Faced Messiah and that his detractors would not be potential customers in any event. I believe this view over-simplifies. Many potential customers who are interested in Hubbard may not know whether they should admire or abhor him. Bare-

Faced Messiah may influence potential customers in different ways. On the other hand, it will be clear to any reader of Bare-Faced Messiah that she had not literally read Hubbard's writings. What she has read is a hostile, critical biography using fragmentary extracts to demonstrate critical conclusions about him. One who has an interest in reading Hubbard's writings would have no sense of having satisfied that interest by reading Bare-Faced Messiah.

I find, therefore, that readers would not be dissuaded from purchasing Hubbard's work by Miller's extracts. Miller's use of Hubbard's writings will not affect the market for Hubbard's copyrights. This factor favors the defendant.

Conclusion as to Fair Use

My conclusion on Holt's claim of fair use is complex.

As to the published materials (Nos. 1-69), there is no difficulty whatsoever. The fair use factors powerfully favor the defendant. The purposes supporting quotation of the particular passages convincingly support a finding of fair use. The effect on plaintiff's market is practically non-existent. The only aspect of a statutory factor that favors plaintiff is that Holt's book is sold for commercial profit. That is of small importance.

As to the unpublished material, the conclusion is less simple. The fact that these matters remain unpublished tends to negate fair use. Although this fact does not bar a finding of

fair use, it argues against it. In order to overcome this factor, the defendant must establish a highly convincing case in favor of fair use.

As to the great majority of items, I find that defendant has done so. Most of these items are justified by a powerfully compelling fair use purpose--a purpose which reasonably requires use of the author's particular words to demonstrate the validity of an important critical point. These are not instances like those cited by the Court of Appeals in Salinger and by this court in Craft v. Kobler, 667 F.Supp. 120 (S.D.N.Y. 1987), where the biographer has used the lively expression of his subject to enliven the biography. These are uses for which the biographer's point cannot be effectively dem-

onstrated without using the subject's words--demonstrations of traits of character. Personal qualities of this nature often cannot be shown except by use of the subject's words. It makes no sense in such cases to speak of limiting the biographer to reporting the facts contained in the subject's letters without taking his protected expression. The letters are not being used as a source of facts reported in them. The important facts in such instances are the words themselves. Their value for the biography lies precisely in the subject's choice of words--not as a matter of literary expression--but for what the choice of words reveals about the subject. Thus, as to Hubbard's sentence, "The trouble with China is, there are too many

Chinks here," (No. 133, BFM 43), there is no fact reported in it which the biographer has an interest in narrating. What is interesting is that Hubbard said it.

Nor should a biographer/critic be limited to stating her conclusions about the subject's choice of words. It would be preposterous to restrict Miller to writing something like, "Hubbard used a vulgar derogatory epithet exhibiting snobbish bigoted disdain for the Chinese." That would be at once unfair to the biographer, the subject, and the readership, which can reasonably demand to know "What did he say? Let us be the judge of whether it was vulgar, snobbish or bigoted."

Whether the negative influence of the fact of non-publication will defeat the

claim of fair use depends on whether the secondary user can show a sufficiently powerful fair use claim based on all relevant factors to defeat the normal rule favoring protection. As to a very large number of Miller's quotation, I find that he succeeds in doing so.

As to the book overall, were it not for the ruling of the Court of Appeals in Salinger, I would conclude that fair use had been adequately demonstrated. That was the conclusion I reached as to the Salinger biography. Salinger v. Random House, Inc., 650 F.Supp. 413 (S.D.N.Y. 1986), rev'd, 811 F.2d 90 (2d Cir. 1987). Here the demonstration of fair use is far more compelling. Many of the takings of Salinger's expression were for the purpose of enlivening that

text with Salinger's expressive genius. That is not the case here. Hubbard's expression is taken primarily to show character flaws in a manner that cannot be accomplished without use of his words.

Nonetheless, given Salinger's strong-presumption against a finding of fair use for unpublished materials, I cannot conclude that the Court of Appeals would accord fair use protection to all of Miller's quotations, or that the biography as a whole would be considered non-infringing.

I listed above approximately 44 passages as to which a fair use purpose is not convincingly shown. Although some of these are very brief and inconsequential, amounting to no more than a few

words, others involve rather lengthy descriptions.

Also, given the force of the presumption expressed by the Salinger court against a finding of fair use for unpublished materials, I have some doubt whether that court would sanction the use of multiple examples to portray a particular quality. For example, Bare-Faced Messiah uses numerous instances of Hubbard's expression to illustrate his boastfulness, pomposity, pretension and self-important grandiosity. In my view this variety is appropriate. The examples do not duplicate one another, they combine to reveal a complex picture of complex qualities displayed by Hubbard at different times of his life. But the Salinger court might find that Miller's examples were too numerous--

that the fair use interest diminishes with the quotation of sufficient examples to make the point. Also some of the instances are less effective and important than others as demonstrations of the characteristics in question. These also might well be disallowed as fair uses.

I conclude that there is a body of material of small, but more than negligible size, which, given the strong presumption against fair use of unpublished material, cannot be held to pass the fair use test. I therefore find, under mandate of the Salinger opinion, that Bare-Faced Messiah to some degree infringes Hubbard's copyrights in some of his previously unpublished works.

II. Should Publication Be Enjoined?

Injunctions are generally issued to prevent infringement of copyright. Although it is standard doctrine that injunction is a drastic remedy that should not issue except on a finding of irreparable injury which damages will not adequately compensate, see Weinberger v. Romero-Barcelo, 456 U.S. 305, 311-12, 102 S.Ct. 1798, 1802-03, 72 L.Ed.2d 91 (1982); City of Harrisonville v. Dickey Clay Mfg. Co., 289 U.S. 334, 337-38, 53 S.Ct. 602, 603-04, 77 L.Ed. 1208 (1933), it has become commonplace in copyright cases to assume such injury. See e.g., Hasbro Bradley, Inc. v. Sparkle Toys, Inc., 780 F.2d 189, 192 (2d Cir. 1985); Wainwright Securities, Inc. v. Wall Street Transcript Corp., 558 F.2d 91, 94 (2d Cir. 1977), cert. denied, 434 U.S. 1014, 98 S.Ct.

730, 54 L.Ed.2d 759 (1978); Rushton v. Vitale, 218 F.2d 434 (2d Cir. 1955). An injunction is easily justified in many common types of copyright infringement. Infringement often involves piracy of artistic creations motivated exclusively by greed. Unscrupulous opportunists flood the marketplace with copies of best-selling dress fabrics, popular children's toys, or successful films on VCR tapes. Because they incur no development cost, no risk and no advertising expense, they sell profitably at a fraction of the price of the authentic merchandise and thus destroy the creator's market. Such instances of infringement serve no useful purpose. Worse, they destroy the rewards and incentives for artistic creation. The harm to the copyright owner is diffi-

cult to assess, in part because these infringers carry on their activities in secret. In short, all relevant considerations support enjoining such activity.

The issue presented here is drastically different. First, the character of the infringing conduct has nothing in common with such opportunistic free riding. Hubbard's writing is quoted to substantiate the argument of a laboriously researched, well-constructed biography representing, right or wrong in its views, a valuable commentary on a subject of public importance. The portions as to which I find no compelling fair use justification are insignificant. This is not profiteering by appropriating the creative effort and genius of another. It is providing, by

research, investigation, study, analysis and creative writing, a valuable, if debatable, study.

The grant of an injunction would diminish public knowledge. It would suppress an interesting, well-researched, provocative study of a figure who, claiming both scientific and religious credentials, has wielded enormous influence over millions of people. Surely the suppression of such a work implicates concerns of the First Amendment. The abhorrence of the First Amendment to prior restraint is so powerful a force in shaping so many areas of our law, it would be anomalous to presume casually its appropriateness for all cases of copyright infringement. In contrast, we accept as black letter that an injunction is not available to

suppress defamatory speech. See Nebraska Press Ass'n v. Stuart, 427 U.S. 539, 557-60, 96 S.Ct. 2791, 2801-03, 49 L. Ed.2d 683 (1976); Organization for a Better Austin v. Keefe, 402 U.S. 415, 91 S.Ct. 1575, 29 L.Ed.2d 1 (1971); In the Matter of the Providence Journal Co., 820 F.2d 1342, 1350 (1st Cir. 1986), modif., 820 F.2d 1354 (1st Cir. 1987), cert. dismissed, ___ U.S. ___, 108 S.Ct. 1502, 99 L.Ed.2d 785 (1988); see also Galella v. Onassis, 487 F.2d 986 (2d Cir. 1973) (modifying injunction to permit news coverage).

In the past, efforts to suppress critical biography through the copyright injunction have generally not succeeded because courts (sometimes straining) have found fair use. See Rosemont Enterprises, Inc. v. Random House, Inc.,

366 F.2d 303 (2d Cir. 1966), cert. denied, 385 U.S. 1009, 87 S.Ct. 714, 17 L.Ed.2d 546 (1967); Meeropol v. Nizer, 361 F.Supp. 1063 (S.D.N.Y. 1973), remanded for further findings, 560 F.2d 1061 (2d Cir. 1977), cert. denied, 434 U.S. 1013, 98 S.Ct. 727, 54 L.Ed.2d 756 (1978); Estate of Hemingway v. Random House, Inc., 49 Misc.2d 726, 268 N.Y.S. 2d 531 (Sup.Ct.N.Y.Co. 1966), aff'd, 25 A.D.2d 719, 269 N.Y.S.2d 366 (1st Dept. 1966), aff'd on other grounds, 23 N.Y.2d 341, 296 N.Y.S.2d 771, 244 N.E.2d 250 (1968). The conflict between freedom of speech and the injunctive remedy was thus avoided. Since Salinger, however, the issue is inescapable. If a biographer, historian or critic needs to use unpublished letters to make her critical points, she cannot

confidently rely on the doctrine of fair use, no matter how worthwhile, creditable and instructive the biography may be. We must, therefore, focus with new intensity on the potential conflict between the copyright and freedom of speech, and particularly on the question whether a finding of infringement should ritualistically call forth an injunction. See Abrams, First Amendment and Copyright, 35 Journal of the Copyright Society 1, 11 (1987); Goldstein, Copyright and the First Amendment, 70 Colum. L. Rev. 983, 1030 (1970).

A finding of fair use has consequences going far beyond denial of an injunction. It means also that the author receives no compensation for commercial use of his copyrighted au-

thorship. It is important to recognize that the justification of the copyright law is the protection of the commercial interest of the artist/author. It is not to coddle artistic vanity or to protect secrecy, but to stimulate creation by protecting its rewards. The copyright seeks to ensure that authors will not be deprived of the fruits of their labors and will be encouraged to employ their creative talents by confidence that the rewards will not be taken from them. See Nation, 105 S.Ct. at 2229. There may thus be instances where solicitude for the author's commercial entitlements, especially in first publication, will motivate a court to protect his compensation right by denying a finding of fair use, while solicitude for a free press and free

public discussion will require denial of an injunction. If, on the particular facts, the copyright owner can be reasonably compensated in damages for injury to this commercial interest, and the injury to the public interest in free speech resulting from injunction would be great, that is a powerful reason for limiting the remedy to damages and withholding the injunctive relief.

The Copyright Act, on its face, does not require a grant of injunctive relief. It states in permissive terms that the court "may ... grant ... final injunctions." 17 U.S.C. § 502. The copyright owner may also recover damages for his losses (including statutory damages) as well as appropriate portions of the infringer's profits. See Lottie Joplin Thomas Trust v. Crown

Publishers, 592 F.2d 651, 657 (2d Cir. 1978); see also Sygma Photo News, Inc. v. High Society Magazine, Inc., 778 F.2d 89, 95 (2d Cir. 1985) (court should err on side of granting plaintiff a full recovery). Prior to the 1909 Copyright Act courts often denied injunctive relief and limited the plaintiff to a recovery of damages where most of the defendant's work consisted of noninfringing material. See Dun v. Lumbermen's Credit Ass'n, 209 U.S. 20, 28 S.Ct. 335, 52 L.Ed. 663 (1908). Four Justices of the Supreme Court have recently suggested granting other than injunctive relief in appropriate circumstances. See Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 499-500, 104 S.Ct. 774, 817-818,

78 L.Ed.2d 574 (1984) (Blackman, J., dissenting).

Neither the Supreme Court in Nation nor the Court of Appeals in Salinger contemplated the question whether an injunction need inevitably follow from a finding of infringement. The Nation suit was brought after the fact of the infringing publication. No injunction was sought. The Court therefore considered only The Nation's liability for damages for infringement. Salinger was decided on a motion for preliminary injunction. The only issue debated was whether fair use had been established. See Salinger, 811 F.2d at 92. ("This appeal presents the issue whether the biographer of a renowned author has made 'fair use' of his subject's unpublished letters.") The decision does

not discuss whether a permanent injunction should necessarily follow if the defendant fails to establish fair use.

I recognize that in Nation the Supreme Court devoted considerable attention to the author's right "to refrain from speaking at all," 105 S.Ct. at 2230 (quoting Estate of Hemingway, supra, 23 N.Y.2d at 348, 296 N.Y.S.2d 771, 244 N.E.2d 250) a right which arguably cannot be preserved without an injunctive remedy. I believe, however, that a proper understanding of this right involves subtle differences which do not favor plaintiff here. The Court's discussion of the copyright owner's "deliberate choice" not-to-publish used as an example (drawn from the Senate report) the unauthorized classroom distribution of photocopies of an

unpublished scholarly article. The Senate Report and the Court concluded that the author's "right to decide whether and when to publish would under ordinary circumstances ... outweigh any needs of reproduction for classroom purposes." Id., 105 S.Ct. at 2227. On the other hand, the Court asserts firmly, "we do not suggest this right not to speak would sanction abuse of the copyright owner's monopoly as an instrument to suppress facts." Id. at 2230.

The distinction between a proper and an abusive exercise of that freedom bears on this controversy. It is one thing to exercise the right to prevent premature publication of a novel or scholarly article which the author may wish to further perfect. That factor has no application here. The proper

concern of the Supreme Court might also arise where an author chooses to discard rather than publish a work, either because he considers it substandard or for any other reason. On appropriate facts that concern might influence the assessment of a fair use defense or the availability of an injunction. It cannot, however, be invoked to command an automatic injunction, barring selected quotation which reveals relevant and important facts of public interest about the character of the author. Hubbard's followers might well wish to prevent public dissemination of some of Hubbard's utterances. These utterances are, however, pertinent historical facts. Regardless whether we conclude under a "fair use" analysis that the copyright holder should not lose his

right to receive compensation from the public dissemination of such writing, it does not necessarily follow that the author or his heirs or licensees should possess the power to prevent the public from learning informative facts inherent in his declarations.

Nor is this a proper case for application of a different line of Supreme Court authority recognizing a right not to speak. See Pacific Gas & Electric Co. v. Public Utilities Commission of California, 475 U.S. 1, 16, 106 S.Ct. 903, 911, 89 L.Ed.2d 1 (1986); Wooley v. Maynard, 430 U.S. 705, 97 S.Ct. 1428, 51 L.Ed.2d 752 (1977); West Virginia Board of Education v. Barnette, 319 U.S. 624, 63 S.Ct. 1178, 87 L.Ed. 1628 (1943). This right concerns the question whether one may be required to

announce or transmit a message one had no part in creating and may indeed disagree with. It has been asserted by citizens of a state protesting the obligation to display a message on the license plates of their cars and by utility companies protesting a requirement that they disseminate in their billing envelopes messages propounded by others.

That principle has no application to this case. These are not the words of others thrust upon Hubbard. They are his words. He had the right not to speak but chose not to exercise it. The question is whether the copyright licensee is entitled to an injunction that would prevent the public from learning interesting pertinent newsworthy facts of Hubbard's utterances.

When the interests protected by the copyright are in acute conflict with those represented by the First Amendment, courts should weigh cautiously whether a prior restraint in the form of an injunction is the appropriate remedy. An award of damages or profits designed to secure for copyright owners appropriate rewards of creativity can protect the copyright holder with far less injury to the public interest in freedom of speech than an injunction.[14] Thus Professor Nimmer, al-

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14. A further question arises: In determining questions of fair use and of remedy, should a court consider whether a copyright action is brought in good faith to preserve the benefits secured by the copyright law or whether it is brought to accomplish a different purpose, such as combatting a hostile or derogatory publication. See Rosemont Enterprises, Inc. v. Random House, Inc., 366 F.2d 303, (2d Cir. 1966) (Lumbard, J., concurring); see also Meeropol v. Nizer, 560 F.2d 1061, 1069 (2d Cir. 1977) (distinguishing Rosemont as a case in which plaintiff tried to prevent publication of a biogra-

though recognizing the existence of authority requiring an injunction, cautioned that "where great public injury would be worked by an injunction, the courts might follow cases in other areas of property law and award damages as a continuing royalty instead of an injunction under such special circum-

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phy). The record contains substantial indication that plaintiff's primary interest is to destroy a book that is hostile to the Hubbard image. Hubbard's executor testified to the effect that he would never license the Hubbard copyrights for use in a book that was critical of Hubbard. (Gready Aff. Exh. A at p. 105.) The author, Miller reported in his book that his way was obstructed at every turn by the Church of Scientology. As early as May 1986 attorneys for the Church were writing to the publisher Holt suggesting that Miller's book would be defamatory and threatening litigation. The question at least arises whether this lawsuit is brought to protect the commercial interest--Hubbard's copyrights--or whether it is an implementation of Hubbard's advice, quoted in Bare-Faced Messiah, that "the law can be used very easily to harass ... If possible, of course, ruin [the adversary] utterly." (No. 47, BFM 223.) I do not rely on these considerations in reaching my conclusion.

stances." 3 M. Nimmer, Nimmer on Copyright, § 14.06.1 (1987); see also Fisher, Reconstructing the Fair Use Doctrine, 101 Harv. L. Rev. 1659, 1726 (1988) (advocating increased use of licenses); Nimmer, Copyright, Liability for Audio Home Recording, 68 Va. L. Rev. 1505, 1530-32 (1982).[15]

I have no difficulty concluding that this is one of those special circumstances in which the interests of free speech overwhelmingly exceed the plaintiff's interest in an injunction. As a

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15. Professor Benjamin Kaplan, in his 1966 James S. Carpentier Lectures put it as follows: "[T]here is still a lack of flexibility in molding [copyright remedies] to the offense and occasion. For example, courts have sometimes forgotten that an injunction does not go of course; the interest in dissemination of a work may justify a confinement of the remedy to a money recovery (just as it may suggest the legislative use, in proper doses, of the device of a compulsory license)." Kaplan, An Unhurried View of Copyright 73 (1967 ed.).

practical matter, an injunction would kill this informative book. As the book is already in print, the expense and waste involved in republishing after deleting infringing material would be prohibitive. The injury to freedom of speech would be significant. The public would be deprived of an interesting and valuable historical study. No significant copyright interest would be served by an injunction. I conclude, notwithstanding some small degree of infringement, that a permanent injunction should be denied.

SO ORDERED.

NEW ERA PUBLICATIONS INTERNATIONAL, ApS, a corporation of Denmark, Plaintiff,

v.

HENRY HOLT & CO., INC., a New York corporation, Defendant.

No. 88 Civ. 3126 (PNL).

United States District Court, S.D. New York.

May 13, 1988.

OPINION AND ORDER

LEVAL, District Judge.

Plaintiff, New Era Publications International, ApS ("New Era"), moves for a temporary restraining order enjoining the printing, publication and distribution of a book entitled Bare-Faced Messiah: The True Story of L. Ron Hubbard by Russell Miller. The defendant, Henry Holt & Co., Inc. ("Holt"), is the United States publisher of the book. The plaintiff alleges that the book infringes plaintiff's copyright in un-

published and published works of L. Ron Hubbard, a well-known author and religious figure. As to unpublished copyrighted work, plaintiff contends the defense of fair comment is not available, or in any event restricted in scope. See Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985); Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir.), cert. denied, ___ U.S. ___, 108 S.Ct. 213, 98 L.Ed.2d 177 (1987).

I find that for reasons of strategy or neglect or both, plaintiff has been tardy in taking steps to seek this relief. As the result of plaintiff's tardiness, the grant of a temporary restraining order would subject the defendant to very great harm and loss that would have been altogether avoid-

able if plaintiff had moved more promptly. I conclude that plaintiff is chargeable with laches and that the temporary restraining order should not be granted for that reason.

Plaintiff's counsel brought the motion ex parte at 5:00 p.m. on May 4, 1988, and were told to return the following morning with counsel for the defendant. I spent most of the day on May 5 hearing counsel and made a preliminary ruling orally that evening. On May 6, plaintiff's counsel filed new papers seeking reconsideration. I directed response by defendant and heard counsel once again on Monday, May 9. After hearing counsel that day and considering new affidavits, I declined to change my ruling. This opinion summarizes the rulings initially set forth orally on the record.

The affidavits and representations to the court establish the following. The book, Bare-Faced Messiah: The True Story of L. Ron Hubbard, has already been published in the United Kingdom, Canada, and Australia. Publication in those countries occurred in the fall of 1987, despite litigation brought in those countries by plaintiff and the Church of Scientology, a religious organization to which it is related, to restrain publication on copyright and other grounds. In the Canadian litigation, an employee of the Legal Division of the Church of Scientology of California, Mr. Kenneth D. Long, apparently submitted a lengthy affidavit comparing Mr. Hubbard's unpublished documents with the alleged infringing material in Mr. Miller's book. New Era Publications Int'l, ApS v. Levy-Porter Books

Ltd., No. T-2433-87, at 3-4 (Federal Court of Canada, Trial Div. Dec. 2, 1987). Plaintiffs have submitted a similar affidavit by Mr. Long in this litigation. The applications for preliminary relief were denied in Canada and England. In Australia the plaintiff withdrew its suit.

Defendant's submissions indicate that plaintiff has been aware since the spring of 1986 that Mr. Miller's book would be published in the United States. Correspondence was sent in May 1986 by Jonathan Lubell, an attorney then representing the Church of Scientology and now representing plaintiff, to the publisher Henry Holt. Those letters seek to dissuade Holt from publishing the book. The correspondence includes a letter sent by Mallory Rintoul, General Counsel of Holt, to Mr. Lubell dated

August 18, 1986 which suggests in strong terms that Holt will not be deterred from publication and will not be cooperative with efforts to stop publication of the book. Mr. Rintoul's letter says, "We didn't reply to your first letter, we don't intend to reply to your second letter. Don't read anything into our failure to reply except that we don't choose to reply." Essentially, it is a letter that takes an adversarial and not a conciliatory position toward the plaintiff.

In October 1987, plaintiff sent a private investigator to the defendant making overtures toward the suppression of the book, suggesting that it was defamatory and unreliable. In late 1987 plaintiff and the Church of Scientology sued in England, Canada and Australia. In mid-February 1988 Mr.

Lubell wrote to the defendant asking for a copy of the book and speaking of copyright infringement. In mid-March Mr. Lubell met with the defendant, again spoke of copyright infringement, and offered to buy out defendant's rights. Holt refused the offer. The plaintiff wrote again on April 18, 1988 alleging copyright infringement. By this time, the first printing of the book was virtually completed and it was in the process of being bound and packed for shipment, which was to begin on April 27.

Never did the plaintiff take sufficient steps to obtain a copy of the book to determine whether it differed from the books published in England, Australia, and Canada. Never did the plaintiff ask Holt when it would be published. The plaintiff did not take

any legal step until May 4 when it sought the temporary restraining order. By that time, as it turned out, the defendant had published the book, having printed and packed 12,000 copies, and having sent out review copies on April 27. With the exception of 3,000 copies that a trucker had failed to collect and which were waiting on the loading dock, the first printing had been shipped beyond the publisher's control. To fill additional orders, Holt had scheduled a second print run for May 6. If that run had been cancelled, defendant would have had to wait six to eight weeks for another opening on the printer's schedule.

The plaintiff is not entitled to a temporary restraining order at this late juncture. The defendant would be severely harmed by the issuance of a

TRO, blocking the second printing and distribution of the unshipped portion of the first printing. If the second printing were to be stayed, the success of the publication would be doomed to certain failure. Review copies were distributed April 27. It can be expected that, if reviewers are interested in that book, reviews will soon appear. If the second printing were held up by six to eight weeks, any interest in the book generated by the reviews could not be satisfied. No books would be available to fill orders.

As to the first printing, discussion is academic because it is beyond defendant's control. But even if defendant could still prevent its sale, plaintiff's delay would have caused defendant to incur all the costs of publica-

tion before plaintiff requested court intervention. The exaggeration of the harm to the publisher could easily have been avoided if plaintiff had acted with reasonable promptness.

The plaintiff knew for a long time it had a claim of copyright infringement. Plaintiff was aware of the publications in the United Kingdom, Canada, and Australia, all of which, according to the plaintiff's argument, were violations of the plaintiff's copyright, largely having to do with unpublished works. Against that background, the plaintiff had every reason to believe that the United States publication of the same title by the same author would be quite similar and would also involve infringements of the plaintiff's copyright. Defendant had made clear since Mr. Rintoul's defiant letter in the

summer of 1986 that it had no interest either in cooperating with plaintiff or in entering into discussions of infringements. There is no good reason why plaintiff should have waited until May to seek provisional orders of restraint. An earlier application would have permitted the court to explore the issues of law without causing the defendant catastrophic harm.

Plaintiff's arguments in justification are altogether unconvincing. Plaintiff argues that it was reluctant to sue without having obtained a copy of the proposed U.S. text, lest it incur Rule 11 sanctions for suing irresponsibly. It adds that it believed Holt would be making revisions to the foreign texts to accommodate the rulings of the Supreme Court and the Court of Appeals in Harper & Row and Salinger

to the effect that there is little scope for the doctrine of fair use as to unpublished copyrighted work.

As to plaintiff's expectation that changes of text might be made to satisfy the Salinger and Harper & Row rulings, that is no reason to delay seeking a provisional stay. Salinger was decided by the Court of Appeals in January 1987. If the book was being revised based on Salinger's rulings on the scope of fair use of unpublished work, such revisions could have been done long ago. There was no reason for plaintiff to believe that U.S. publication would be long deferred.

Nor is there merit to plaintiff's contention it was lulled by a notation in Holt's catalogue that the book would have a July publication date. Such notations mean very little in the indus-

try. Even accepting plaintiff's argument that a July publication date ordinarily would mean a mid-May distribution date, the defendant would have incurred most of the costs of preparation and printing by the time this lawsuit was filed. More importantly, plaintiff never even asked Holt how close it was to publication and when distribution could be expected.

As to concern for Rule 11 sanctions, this is unconvincing and incredible. The publication of the same title in Britain, Canada and Australia gave the plaintiff a firm basis for the expectation that U.S. publication would be substantially similar. But if plaintiff did not wish to apply for a TRO without having seen the U.S. version, it could easily have lodged the suit and obtained the text by discovery,

before asking court intervention staying publication.

I suspect the real reason for the delay had more to do with a strategic concern which plaintiff's counsel acknowledged. The book had apparently sold poorly in England, Canada and Australia. Plaintiff was concerned that the lodging of a suit might draw attention to this unfavorable book and might increase its sale potential in the United States. The decision to delay legal action was probably attributable to strategy. Plaintiff hoped the book might simply die. Rather than bring suit, plaintiff preferred to keep its options open. This was a reasonable tactic. A suit might well have helped the sale of a book which plaintiff considered defamatory to L. Ron Hubbard. But if plaintiff delayed for

tactical reasons, and the delay resulted in exposing the publisher to extreme and avoidable harm from a temporary order of restraint, plaintiff must bear the consequences of its delay.

Defendant has convincingly demonstrated, on the present state of the record, that plaintiff's laches should bar the grant of a TRO. Plaintiff may proceed with discovery in the event it wishes to pursue its application for a preliminary injunction.

Motion denied.

SO ORDERED.

NEW ERA PUBLICATIONS INTERNATIONAL, APS, A Corporation of Denmark, Plaintiff-Appellant-Cross-Appellee,

v.

HENRY HOLT, CO., A New York corporation, Defendant-Appellee-Cross-Appellant.

Nos. 88-7707, 88-7795.

United States Court of Appeals, Second Circuit.

August 29, 1989.

ON PETITION FOR REHEARING AND SUGGESTION FOR REHEARING IN BANC

A petition for rehearing containing a suggestion that the action be reheard in banc having been filed herein by counsel for defendant-appellee-cross-appellant, Henry Holt, Co.

Upon consideration by the panel that heard the appeal, it is,

ORDERED that said petition for rehearing is DENIED.

It is further noted that a request for an in banc vote having been made by a judge of the court, and a poll of the judges in regular active service having been taken and there being no majority in favor thereof, rehearing in banc is DENIED.

MINER, Circuit Judge, concurs in a separate opinion, and MESKILL, PIERCE and ALTIMARI, Circuit Judges join.

JON O. NEWMAN, Circuit Judge, dissents in a separate opinion from the denial of the rehearing in banc, and OAKES, Chief Judge, KEARSE and WINTER, Circuit Judges, join.

MINER, Circuit Judge, with whom MESKILL, PIERCE and ALTIMARI, Circuit Judges, join, concurring in the denial of hearing in banc:

I of course concur in the Court's decision to reject the unprecedented proposal for in banc hearing suggested by a prevailing party dissatisfied with certain nondispositive language in the panel majority opinion. I write only to comment on the "expression of views"

by which the in banc minority seeks "to allay...misunderstandings" purportedly created by the panel majority in regard to the limits of permissible fair use and to establish what is perceives to be the proper standards. My comment may be summarized as follows: First, the panel majority opinion is consistent with settled law and leaves no room for misunderstanding. Second, a dissent from a denial of rehearing in banc lacks the authority to dispel misunderstanding in any event. Third, whether or not "this Circuit is committed to the language of the panel opinion," it surely is not committed to the language of the appended dissenting opinion.

Harper & Row, Publisher, Inc. v. Nation Enterprises, 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 5588 (1985),

reversing 723 F.2d 195 (2d Cir. 1983), teaches that unpublished, copyrighted material very rarely will be the subject of fair use. It recognizes that the right not to publish is a most important one and that "[t]he right of first publication encompasses not only the choice whether to publish at all, but also the choices of when, where, and in what form first to publish a work." Id. 471 U.S. at 564, 105 S.Ct. at 2232. The case at bar did not present one of those rare situations where fair use might be found. The District Judge determined that a "more than negligible" amount of purloined, unpublished and copyrighted material was lifted and that the "amount and substantiality" fair use factor, 17 U.S.C. § 107(3), therefore favored the plaintiff. The panel majority agreed. The Dis-

trict Judge also found that the first fair use factor, purpose of the use, id. §107(1), favored the defendant and that the second fair use factor, nature of the copyrighted work, id. § 107(2), favored the plaintiff, and the panel majority agreed with these findings as well. Only with respect to the fourth factor, effect of the use upon the potential market, id. § 107(4), did the panel majority disagree with the District Judge, who found that this factor favored the defendant. The disagreement made no difference, however, because the District Court found that Holt & Co. had failed the fair use test.

The dissenting opinion would make a "distinction between copying expression to enliven the copier's prose and doing so where necessary to report a fact

accurately and fairly," apparently for the purpose of affording special consideration to material used for factual reportage. It observes that the distinction "has never been rejected even as to unpublished writings." Of course, the distinction never has been recognized as an element in the fair use balance either, and the dissenting opinion therefore seems to parse the first fair use factor, purpose of the use, without good reason. What the panel majority opinion says, consonant with settled law, is that in applying the first factor the distinction has no importance. See Salinger v. Random House, Inc., 811 F.2d 90, 97 (2d Cir.) ("we agree with the District Court that the first fair use factor weighs in [the biographer's] favor, but not that the purpose of his use entitles him to

any special consideration"), reh'g denied, 818 F.2d 252 (2d Cir.) (per curian) cert. denied, ___ U.S. ___, 108 S.Ct. 213, 98 L.Ed.2d 177 (1987). In the case at bar, as in Salinger, the first factor was found to weigh in favor of the publisher because the book was a work of criticism, scholarship or research. If a book falls into one of these categories, assessment of the first fair use factor should be at an end. Moreover, I question whether judges, rather than literary critics, should decide whether literary material is used to enliven a text or demonstrate truth. It is far too easy for one author to use another's work on the pretext that it is copied for the latter purpose rather than the former.

It is heartening to note that the dissenters "are confident that [the

panel majority] has not committed the Circuit to the proposition that the copying of some small amounts of unpublished expression to report facts accurately and fairly can never be fair use." This confidence is not misplaced, of course, because there is nothing in the panel majority opinion that suggests otherwise! Indeed, the panel majority does not even bar the use of "small amounts of unpublished expression" to enliven the text. A different finding on the "amount and substantiality" fair use factor in the case at bar well might have dictated the same outcome in the case were laches not available as a defense. But that outcome would not have hinged on the distinction between factual reportage and text enlivening. Instructive in this regard is Consumers Union of

United States, Inc. v. General Signal Corp., 724 F.2d 1044 (2d Cir. 1983) reh'g in banc denied, 730 F.2d 47 (2d Cir.), cert. denied. 469 U.S. 823, 105 S.Ct. 100, 83 L.Ed.2d 45 (1984), cited in the dissenting opinion. The defendants in that case were found to have made "relatively insubstantial use" of published material in using in its advertising an evaluation of its product taken from the well-known Consumer Reports publication. Id. at 1050. Only one phrase was taken for one advertisement; twenty-nine words were taken for another. The key to that decision was not the need for copying in the interest of accuracy but the insubstantiality of the use. Moreover, in light of the reversal by the Supreme Court of our Harper and Row decision, the following in Consumers Union turned out to be

an incorrect statement of the law: "Implicit in that decision [our Harper & Row] is an acknowledgment that, where accurate reporting requires use of verbatim quotations, fair use will be liberally applied. The scope of the doctrine is undoubtedly wider when the information conveyed relates to matters of high public concern." 724 F.2d at 1050 (emphasis added). It now can be said that fair use is never to be liberally applied to unpublished copyrighted material, even if the work is a matter of such high public concern as the memoirs of President Ford.

As to the remedy that would have been granted in the absence of laches, the panel majority opinion, as noted in the dissenting opinion here, precisely tracks the infelicitous language of Salinger: An infringer who "copies more

than minimal amounts of (unpublished) expressive content ... deserves to be enjoined." 811 F.2d at 96. All now agree that injunction is not the automatic consequence of infringement and that equitable considerations always are germane to the determination of whether an injunction is appropriate. Indeed, the discretionary nature of injunction as a remedy for copyright infringement is apparent in the pertinent statutory provision:

> Any court having jurisdiction of a civil action arising under this title may ... grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.

17 U.S.C. § 502(a) (emphasis added). The panel majority maintains its view that an injunction would have been a proper remedy in this case except for the controlling issue of laches, but

has proposed to amend its opinion at 873 F.2d 576, 584, col. 1, line 4 (2nd Cir. 1989) to read as follows: "Since [under ordinary circumstances] the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use, id. at 96, the consequence of the district court's findings seem obvious." (bracketed material added to original).

JON O. NEWMAN, Circuit Judge, with whom OAKES, Chief Judge, KEARSE and WINTER, Circuit Judges, join, dissenting from denial of rehearing in banc:

This is an unusual case to request rehearing in banc, and we believe it is important to explain why we believe such rehearing is warranted. Our reasons concern the need to avoid misunderstanding on the part of authors and publishers as to the copyright law of

this Circuit - misunderstanding that risks deterring them from entirely lawful writings in the fields of scholarly research, biography, and journalism. We would have preferred an in banc rehearing to avoid such misunderstanding. Though rehearing is favored by five of the twelve active judges of this Court, it has not gained the support of the required majority and has therefore been denied. The denial of rehearing, however, does not mean that this Circuit is committed to the language of the panel opinion that has created the risk of misunderstanding, and by this expression of views we hope to allay such misunderstanding.

At the outset, we emphasize what the careful reader of the panel opinion will readily appreciate: The holding of the panel opinion is only that in the

circumstances of this case, the doctrine of laches bars the issuance of a preliminary injunction. Had the panel majority confined its opinion to that unexceptional conclusion, there would have been no occasion even to consider a rehearing in banc. Normally, the appearance of language beyond the holding would also be no occasion for rehearing. In most contexts, the clarification and refinement of such language and the extent to which it will affect future holdings may safely await future litigation. But many authors and publishers are understandably reluctant to risk litigation. Many important works of authorship command a limited readership. The cost of defending a copyright infringement suit, even if the prospect of success is high, will frequently be a powerful deterrent to in-

clusion of passages that approach but do not exceed the limits of permissible fair use. Our unwillingness to see entirely lawful writings withheld from publication prompts this expression of views. We focus upon the standards both for infringement and for issuance of an injunction.

1. Copying expression to report facts accurately. The Supreme Court in Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985), and this Court in Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir.) cert. denied, ___ U.S. ___, 108 S.Ct. 213, 98 L.Ed.2d 177 (1987), ruled that unpublished writings "[u]nder ordinary circumstances," Harper, 471 U.S. at 555, 105 S.Ct. at 2228, are protected from copying sought to be justified as fair

use. Neither decision, however, purported to deal with the problem that concerned the District Judge in this case. That problem is whether, even as to unpublished writings, the doctrine of fair use permits some modest copying of an author's expression in those limited circumstances where copying is necessary fairly and accurately to report a fact set forth in the author's writings.

Surveying the District Judge's opinion, the panel majority writes:

> The district court sees a significant distinction in purpose between the use of an author's words to display the distinctiveness of his writing style and the use of an author's words to make a point about his character, finding far great justification in the latter than in the former. We find such a distinction unnecessary and unwarranted in applying the statutory fair use purpose factor.

873 F.2d at 583. We are not sure pre-

cisely what the panel opinion means by this passage, but we are confident that it has not committed the Circuit to the proposition that the copying of some small amounts of unpublished expression to report facts accurately and fairly can never be fair use.

In the context of published material, this Court has held that copying a few words of expression is permissible fair use where such copying is "the only valid way precisely to report" a fact in the copyrighted work. Consumers Union v. General Signal Corp., 724 F.2d 1044, 1049 (2d Cir. 1983), cert. denied, 469 U.S. 823, 105 S.Ct. 100, 83 L.Ed.2d 45 (1984). Expressive words sometimes need to be copied "in the interest of accuracy, not piracy." Id. Though New Era involves an unpublished work, as to which the scope of fair use

is "narrower," Harper, 471 U.S. at 564, 105 S.Ct. at 2232, the distinction between copying expression to enliven the copier's prose and doing so where necessary to report a fact accurately and fairly has never been rejected even as to unpublished writings in any holding of the Supreme Court or of this Court. Indeed, in Harper the Supreme Court acknowledged the distinction in the context of an unpublished writing. Though the Court declined to permit the copying of unpublished expression simply because such expression could be deemed "newsworthy," 471 U.S. at 557, 105 S.Ct. at 2228, the Court recognized that some brief quotes might be "necessary adequately to convey the facts." Id. at 563, 105 S.Ct. at 2232. President Ford's characterization of White House tapes as the "smoking gun" was

cited as an example of a phrase deemed "perhaps so integral to the idea expressed as to be inseparable from it." Id. Fair use was denied in Harper because "The Nation did not stop at isolated phrases" but instead made a use of protected expression that "exceeds that necessary to disseminate the facts." Id. at 563-64, 105 S.Ct. at 2232-33.

Perhaps the panel opinion in New Era meant only to say that the distinction as phrased by the District Judge was unwarranted or that the distinction was unwarranted in light of the amount of protected expression that was copied. Whatever was intended, we are satisfied that the distinction has validity, and, though we would have preferred to see the matter clarified in either the panel opinion or a rehearing of it, we do

not believe that biographers and journalists need be apprehensive that this Circuit has ruled against their right to report facts contained in unpublished writings, even if some brief quotation of expressive content is necessary to report those facts accurately.

2. Injunction as a remedy for infringement. Language in the panel opinion can be read to suggest that once infringement has been found, the remedy of an injunction follows as of course, save only in situations where some affirmative defense, such as laches, is established. Again, we are not certain that the panel intended its language to be so understood, but surely such a conclusion does not follow form the holdings in Harper and Salinger, nor is it the law of this Circuit. Harper did not involve a request for an injunc-

tion; the plaintiff sought only damages. Salinger involved a preliminary injunction but not an injunction to halt distribution of a book already in publication; the injunction required the defendant only to revise galley proofs to delete infringing material prior to publication.[1]

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[1]/Since the writer of this opinion is responsible for one sentence in the Salinger opinion partially quoted by the panel opinion in support of the view favoring issuance of an injunction, some words of clarification about that sentence are appropriate. The sentence reads, "If [the biographer] copies more than minimal amounts of (unpublished) expression, he deserves to be enjoined...." Salinger, 811 F.2d at 96. The panel majority writes, "Since [under ordinary circumstances] the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use, [Salinger] at 96, the consequences of the district court's findings seem obvious." New Era, 873 F.2d at 584 (bracketed words are proposed to be added by the panel majority to its opinion). The partially quoted sentence form Salinger was concerned with the issue of infringement, not the choice of remedy. In-

The panel's holding demonstrates that its language is not to be understood as narrowing the equitable discretion as to the propriety of an injunction, which is conferred by statute, 17 U.S.C. § 502 (1982). Laches is, of course, an equitable doctrine, and the panel's application of the laches doctrine demonstrates that equitable considerations, in this as in all fields of law, are pertinent to the appropriateness of injunctive relief. The public interest is always a relevant consideration for a court deciding whether to issue an injunction.

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deed, there was no dispute as to remedy in that case at all once infringement was found, since the infringing work had not been published and the injunction sought and issued in that case required only some deletions from galley proofs. It would have been preferable to have said in Salinger "...he deserves to be found liable for infringement."

We do not believe that anything we have said in this opinion concerning fair use or injunctive relief is contrary to the views of a majority of the judges of this Court. Indeed, though there might be differences in phrasing, we think it likely that the members of the panel that decided this appeal will readily apply these principles as facts in future cases may warrant. Our preference to have these matters clarified now, in light of ambiguous language in the panel opinion that risks misunderstanding in the sensitive field of authorship, is what prompts us to issue this opinion in respectful dissent from the denial of rehearing in banc.

Supreme Court, U.S.
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No. 89-869

IN THE

Supreme Court of the United States

OCTOBER TERM, 1989

HENRY HOLT AND COMPANY, INC.,

Petitioner,

—v.—

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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Dated: January 11, 1990

PARTIES TO THE PROCEEDING

The parties before this Court are those set forth in the caption.[1]

1 Pursuant to Supreme Court Rule 28.1, we advise the Court that respondent New Era Publications International, ApS, which is incorporated under the laws of Denmark, is wholly owned by Publications Int, Ltd, which is wholly owned by International Publications Trust, a charitable and religious trust, the beneficiaries of which are religious and charitable organizations affiliated with the Scientology religion.

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Respondent New Era Publications International, ApS ("New Era") respectfully requests that this Court deny the petition for a writ of certiorari seeking review of the judgment of the United States Court of Appeals for the Second Circuit in this case.

STATEMENT OF THE CASE

The petitioner in this matter, Henry Holt and Company, Inc. ("Holt"), was the *prevailing* party on the only issue resolved by the court below—whether respondent New Era was entitled to a permanent injunction under the Copyright Act of 1976, 17 U.S.C. § 502, of Holt's publication of Russell Miller's biography of L. Ron Hubbard entitled *Bare-Faced Messiah: The True Story of L. Ron Hubbard* ("the book"). While the court of appeals discussed the "fair use" issue, and rejected the district court's "fair use" analysis, the court below made no findings with respect to which passages were fair use or infringing. Although the court of appeals rejected the district court's overly broad view of what constitutes fair use, even the district court found forty-four separate instances of copyright infringement (A.186-87).[1] As can be ascertained from the district court's appendices,[2] forty-one of these passages were from

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1 Citations to "A. _____" refer to the Appendix to the Petition for a Writ of Certiorari filed by Holt. Citations to "J.A. _____" refer to the Joint Appendix filed in the United States Court of Appeals for the Second Circuit.

2 The district court attached two appendices to its Opinion and Order in which it annotated its findings as to each allegedly infringing passage (J.A. 91-193). The first appendix consists of New Era's list of instances of copying by Holt, numbered 1 to 201, set down side by side with the source material copied. The court annotated each passage as non-infringing under several different rationales or as infringing, using a letter code set forth at the front of the appendix. The second appendix consists of two tables of findings. The first sets forth the court's finding of fair use or infringement for each passage. The second table tallies the court's findings as to each of the twelve different fair use categories created by the district court.

unpublished works and totaled over 1100 words.[3] Determination of which additional passages are infringing must await a trial on damages, which has not yet been held.

A review of the facts and the procedural posture of this case demonstrate that this case simply does not present the issues raised by Holt.

1. New Era is the exclusive licensee of the estate of L. Ron Hubbard's copyrights covering Mr. Hubbard's unpublished works and published nonfiction works (A.2-3, A.52-53). Mr. Hubbard, who died in 1986, was the founder of the Scientology religion and the author of numerous bestselling fiction and nonfiction works (A.2-3, A.52; J.A.734-36). He also authored numerous private, unpublished works, including letters, diaries, stories and personal memoranda.

At the outset, Holt's mischaracterization of the extent and nature of the copying at issue here must be made clear.[4] What Holt repeatedly describes throughout its Petition as "very brief" quotations (Pet. at 10; *see also ibid.* at 7, 11, 19, 29, 39, 57), in fact involved 132 instances of copying from unpublished works, and an additional 69 instances of copying from published works (A.68). Indeed, the district court found that "[t]here is *no dispute* that the biography quotes *extensively* from Hubbard's writings" (A.57) (emphasis added), and the Second Circuit took note of the "extensive reproduction of Hubbard's published and unpublished writings in the biography" (A.3). Holt itself admits that the book copies over 5,000 words from Mr. Hubbard, over 3,100 of which were taken from Mr. Hubbard's unpublished works (J.A.1078-80, Affidavit of M.L. Gready, ¶ 2, at 2-4).[5] In particular, as the court of appeals noted, the book "include[s] extensive quotations from Hub-

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3 In the court below New Era stated that these 41 unpublished passages contained over 900 words; a corrected count shows that these passages contain 1154 words (J.A.116-40).

4 The amicus briefs are similarly premised on a gross distortion of both the record and the decision of the court below.

5 *Compare Harper & Row Publishers, Inc.* v. *Nation Enterprises*, 471 U.S. 539, 548-49 (1985) (copying of 300-400 words constitutes "generous verbatim excerpts of Mr. Ford's unpublished manuscript").

bard's unpublished Asia Diaries of 1927-29," and "[s]eventy-three of the 132 passages from Hubbard's unpublished writings claimed by New Era to be infringing are found in the Asia Diaries" (A.9).[6]

Following are just three examples of Holt's "very brief" quotations from Mr. Hubbard's unpublished boyhood diaries, which Holt asserts "are 'the only valid way precisely to report' a fact in the copyrighted work" (Pet. at 45) (quoting *Consumers Union* v. *General Signal Corp.*, 724 F.2d 1044, 1049 (2d Cir. 1983), *cert. denied*, 469 U.S. 823 (1984)):

> One fine day the Scout executive telephoned my house and told me I was to meet the president that afternoon. I told him I thought it pretty swell of the president to come way out to my house . . .
>
> * * * *
>
> Opening down the main avenue over which our car travelled were hundreds of narrow intriguing streets, teeming with life. Great fish floated here and there and paper banners hung overhead. The stores were stocked with every sort of junk. Dried fish rattled on strings in the wind. Queer looking foods and drygoods were side by side.
>
> * * * *
>
> An especially interesting one is the fort of San Juan de'Apra [sic] in Apra harbour. Its doors have been sealed for years and, as if to hide the structure, vines wind themselves about it. The walls were built with remarkable skill, especially the corners. Most of the prison and turret have been eroded and have falled [sic] into decay, but the powder house and firing steps remain. The walks that once heard the rhythm of the sentry's beat, and the crash of the evening gun are now the running place of lizards. One can-

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6 The Asia Diaries were written by Mr. Hubbard when he was a teenager. They are the primary source of information on Mr. Hubbard's late teen-age years. The book copies verbatim descriptions of every major event and many minor events contained in the Diaries (J.A.800-01). By extensive quotation from these boyhood diaries, the author obviously concurred in their importance.

> not imagine the solitude and depression that surrounds it. All that beauty and grandeur which surrounded it yesterday has faded as the rose which dies and leaves its thorn.

(Nos. 74, 86, 98; J.A.117, 120-21, 125).[7] The book contains numerous similar examples of gratuitious and lengthy quotations. *See, e.g.*, Nos. 70, 77, 87, 94, 98, 105, 132, 149, 166-69. Miller even went so far as to quote verbatim *entire* short story outlines contained in the teen-age diaries (Nos. 135-142). Holt's extensive appropriation of the teen-age *Asia Diaries* as well as extensive quotation from numerous letters puts the lie to Holt's claim that it took only "very brief" quotations absolutely essential to report facts of purported historical interest.

Holt further mischaracterizes its extensive copying as appropriated only from "certain technically unpublished but publicly disseminated . . . documents written by Mr. Hubbard" (Pet. at 8). In both lower courts, Holt extensively briefed and argued the contention that the writings were published or disseminated and therefore entitled to lesser protection under the Copyright Act. The district court explicitly rejected Holt's argument, and found that all the documents that New Era alleged to be unpublished were, in fact, unpublished and undisseminated (A.68 & n.3). While the panel opinion had no need to reach this question, the concurring judge explicitly agreed with the district court (A.29-30 n.4).

Holt could not identify *any* prior dissemination of 15 unpublished passages. The only alleged "dissemination" of an additional 78 unpublished passages (including the Asia Diaries) resulted when documents were stolen from the Church and then ordered into court (along with any copies) and placed under seal by the state courts in *Church of Scientology of California* v.

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7 While the district court found the last two above-quoted passages to be infringing, the court managed to justify No. 74 as fair use under the novel category "Self-Presentation in Early Diaries," a category used to justify eleven instances of copying from the *Asia Diaries*. Obviously, under this category, any quotations from diaries, journals, or letters in which the author discusses himself (a not uncommon occurrence) could be justified as fair use as "Self-Presentation."

Armstrong, No. C 420153 (Los Angeles Superior Court).[8] Thus, the vast majority of the quoted material was obtained from "*purloined*, unpublished and copyrighted material" (A.227) (Miner, J., concurring in denial of rehearing *en banc*) (emphasis added). While Holt would have this Court believe that the quotations were taken largely from documents obtained by the author from the government under the Freedom of Information Act, 5 U.S.C. § 552 (A.8, 11-12), the fact is that only 32 passages were taken from Mr. Hubbard's letters allegedly obtained under FOIA.[9] Finally, while Holt continues to describe the copied works as "disseminated," it does not seek review of the findings below that these documents are unpublished, and hence it is bound by those findings.

2. New Era initiated this action seeking damages and injunctive relief for copyright infringement against Holt on May 4, 1988. The district court initially denied New Era's motion for a temporary restraining order on the ground of laches (A.209-23). Following further discovery, and after New Era agreed to indemnify Holt for its unrecoverable expenses, the court issued a temporary restraining order on May 20, 1988 (A.57). With the consent of the parties, New Era's motion for a preliminary injunction was then consolidated into a proceeding for a permanent injunction, during which time it was agreed the TRO would remain in effect (A.57).

On August 9, 1988, the district court denied New Era's request for a permanent injunction. The court recognized that the book contained "a substantial amount of taking of [copyright] protected expression sufficient to raise a serious problem of copyright infringement if the takings are not protected by

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8 In *Armstrong*, the state court found that the defendant there had converted the documents from the Church (J.A.789). Both the district court and the concurring judge below found it would be improper to treat such documents that were ordered into court and kept under seal as published (A.29-30 n.4; A.68 n.3).

9 All these letters were written prior to FOIA's passage in 1966, so that Mr. Hubbard could have had no expectation of dissemination or publication. The district court found that *all* these passages were unpublished, but that the copying was justified under the fair use doctrine; the Second Circuit made *no* findings on these passages concerning either publication *or* fair use.

fair use" (A.172). The court further found that New Era intended to commission an authorized biography of Mr. Hubbard, "and that the entire archive of Hubbard's writings, including the documents quoted by Miller, will be available for this project" (A.174).

Nevertheless, the district court found that most of the copying of unpublished material (and 66 of 69 instances of copying of published material) were justified as fair use. The court's premise for its broad finding of fair use was that even if unpublished expression is appropriated for the purpose of enlivening a biography, it may nonetheless be deemed fair use if it is "reasonably necessary to the communication and demonstration of significant points being made about the subject" and has no "significant adverse effect on the market for the copyrighted work" (A.85). As a framework for its thesis, the district court invented twelve separate "fair use" categories, nine of which consist of purported character traits attributed by Miller to Mr. Hubbard; the other three involve "self-presentation in early diaries," "the accurate rendition of ideas," and Mr. Hubbard's early writing style (A.106-58).

Ultimately, the district court recognized that it had excused as "fair use" numerous overlapping examples of copying to demonstrate similar points, and "that the fair use interest diminishes with the quotation of sufficient examples to make the point," and that "some of the instances are less effective and important than others as demonstrations of the characteristics in question. These also might well be disallowed as fair uses." (A.188). The court, however, did not specify which of these repetitive quotations were deemed fair use and which were infringing.

Even with its broad and overlapping twelve fair use categories, the district court could not justify forty-one instances of copying from unpublished works (as well as three instances of copying from published works) as fair use, some of which involved "rather lengthy descriptions" (A.187). The court thus held that the book "infringes Hubbard's copyrights in some of his previously unpublished works" (A.188).

Despite the finding of significant unjustified infringement of unpublished works, the court refused to grant an injunction

against Holt's continued exploitation of New Era's copyrighted works, limiting appellant to a damage remedy only (A.205-06). The court based its denial of an injunction on Mr. Hubbard's status as a public figure; its conclusion, based on certain media reviews, that the book is a serious, critical biography; and what the court construed as the public's right to know concerning Mr. Hubbard (A.96-98, 191-92). Indeed, the district court explicitly converted Mr. Hubbard's creative written expression into unprotectable historical facts: "These utterances [Mr. Hubbard's writings] are, however, pertinent historical facts" (A.202), and the public has a right to learn information "inherent in his declarations" (A.203).

3. On August 11, 1988, the court stayed its decision, pending New Era's motion for expedited appeal. On August 30, 1988, the court of appeals granted the motion for an expedited appeal and continued the district court's stay until oral argument. At oral argument, the court continued the stay pending its decision (A.5). Holt filed a cross-appeal from the finding of infringement.

On April 19, 1989, the court of appeals affirmed the denial of the permanent injunction on the ground that New Era had unreasonably delayed in bringing its suit, which had resulted in prejudice to Holt, and that New Era was therefore barred by laches from obtaining a permanent injunction (A.20-21). The court then "relegat[ed] . . . New Era to its damages remedy" (A.22). The fair use issue was irrelevant to the court of appeals' decision, and the court nowhere acknowledged or addressed Holt's cross-appeal, affirming solely on the issue whether New Era was entitled to an injunction.[10]

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10 The Second Circuit caption described Holt only as "Defendant-Appellee," and the court described Holt only as "the defendant in the action and appellee here" (A.1,3). In addition, over New Era's objection, costs were assessed *solely* against New Era, despite F.R.A.P. 39(a), under which costs presumably would have been assessed against both parties had the court actually reached the issues raised in Holt's cross-appeal. Moreover, while Holt purported to appeal from the district court's finding of 44 instances of infringement, its brief did not address a single passage which the district court found to be infringing. The petition filed with this Court likewise does

Although the decision below rested solely on laches, the court, relying on *Harper & Row, Publishers, Inc.* v. *Nation Enterprises*, 471 U.S. 539 (1985), and *Salinger* v. *Random House, Inc.*, 811 F.2d 90 (2d Cir.), *cert. denied*, 108 S.Ct. 213 (1987), added that it disagreed "with a great deal of what is said in the [district court] opinion" (A.17). The court then very briefly reviewed the four fair use factors to make its disagreements clear (A.17-19).[11] This discussion was admittedly wholly irrelevant to the court's decision, and was dictum in the purest sense.[12]

The court rejected the district court's reasoning that justified extensive copying purportedly to make a point about the writer's character, in contrast to copying to display an author's writing style or to "enliven" the text (A.18), although it agreed with the district court that the "purpose" factor weighed in Holt's favor, and that the "nature of the work" factor weighed in New Era's favor.[13] The court further agreed with the district

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not attempt to justify as fair use a single instance of copying found to be infringing by the district court.

11 The amici pretend that the court relied solely on the unpublished nature of the copied works. In fact, a review of the panel's three-page fair use analysis shows that it weighed all four factors (A.17-19). Indeed, the concurrence to the denial of rehearing stated that an injunction may have been denied even in the absence of laches if there had been "[a] different finding on the 'amount and substantiality' fair use factor" (A.231).

12 Thus, Judge Miner, the author of the majority opinion, described this discussion as "nondispositive language" (A.225) (Miner, J., concurring in denial of rehearing en banc); *see* A.22 (Oakes, J., concurring) ("unnecessary for the majority opinion to do anything other than affirm the denial of an injunction for laches"; court "take[s] issue with Judge Leval's opinion . . . by way of dictum").

13 Holt substantially misquotes the panel opinion when it asserts that the court stated that it saw no distinction between quotation to enliven text and " 'quotation necessary to report facts accurately.' (A.18.)" Pet. at 45. The court below never made the statement placed in quotations by Holt, and never even implied that Holt's extensive quotations were necessary to report facts accurately. The misquotation is a far cry from what the court actually discussed as an impermissible basis for extensive copying of unpublished

court that the book contains "a substantial amount of taking" of copyrighted works (A.19). The court also found the book would have an effect on the market for New Era's forthcoming authorized biography, particularly given the district court's findings of fact that New Era intended to commission an authorized biography of Mr. Hubbard, and that all his writings, including the Asia Diaries and other materials copied by Holt, would be made available for this purpose (A.19).

Relying on *Harper & Row*, 471 U.S. at 557, the court then rejected the district court's assertion that, under the First Amendment, the public had a "right to know" the author's *expression* of an idea, as distinguished from the *idea* itself, and found that no First Amendment concerns not accommodated by the Copyright Act were implicated in this case (A.20). As the court aptly put it, even if an injunction had issued, "the public would not necessarily be deprived of an 'interesting and valuable historical study,' . . . but only of an infringing one" (A.20).

Judge Oakes concurred in the result, but would have largely adopted the reasoning of the district court with respect both to fair use analysis and the issuance of an injunction. Judge Oakes agreed with the district court's finding that much of the copying was fair use, but that there was a more than negligible amount of infringing quotation (A.45).[14]

4. Holt's petition for rehearing en banc was denied by a 7-5 vote (A.224). On behalf of four judges, Judge Miner, the author of the panel opinion, stated, "I of course concur in the Court's decision to reject the *unprecedented* proposal for in banc hearing suggested by a *prevailing party* dissatisfied with certain *nondispositive language* in the panel majority opinion." (A.225) (Miner, J., concurring in the denial of rehearing *en*

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works: "use of protected expression to communicate 'significant points' about the subject" (A.18).

14 Judge Oakes specifically disagreed with the district court's finding of fair use with respect to an additional eight passages (Nos. 135-42), containing over 350 words, which were quoted merely to show Mr. Hubbard's teen-age fiction writing style in the Asia Diaries (A.39-40).

banc) (emphasis added). The concurrence emphasized that under this Court's decision in *Harper & Row*, the substantial amount of copying of "purloined, unpublished and copyrighted material" could not be justified as fair use (A.227).

The concurrence also questioned whether judges, rather than literary critics, should engage in drawing distinctions between copying of expressive material to enliven text and copying to demonstrate "truth," as the *en banc* dissent suggested, and noted that nothing in the panel opinion barred the use of small amounts of unpublished expression either to enliven the text or to report facts accurately (A.230-31). That issue was irrelevant here, however, because Holt had copied "extensive" amounts of New Era's copyrighted works (A.3, A.57), not "small amounts." The concurrence also made clear that an "injunction is not the automatic consequence of infringement and that equitable considerations always are germane to the determination of whether an injunction is appropriate," (A.234) and modified the panel opinion as follows:

> Since [under ordinary circumstances] the copying of "more than minimal amounts" of unpublished expressive material calls for an injunction barring the unauthorized use, the consequence of the district court's findings seem obvious.

(A.235) (bracketed material added) (citation omitted).[15]

As the dissenting opinion from the denial of rehearing, joined by four judges, made clear, "[t]he *holding* of the panel opinion is only that in the circumstances of this case, the doctrine of laches bars the issuance of a preliminary [sic] injunction." (A.236-37) (emphasis original). The dissent then agreed with the concurrence that copying of small amounts of unpublished expression could be fair use under certain circumstances (A.240). The dissent, however, never indicated that it believed only "small amounts" were copied here; in fact, it noted that the panel opinion may have found the distinction between copying to enliven and to make points about character "unwar-

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15 Although the court of appeals sent a corrected slip opinion to the parties, the panel opinion submitted by Holt to this Court does not reflect this change in the decision. *See* A.19 (sixth line from bottom).

ranted in light of the amount of protected expression that was copied" in this case (A.242). The dissent also did "not believe that biographers and journalists need be apprehensive that this Circuit has ruled against their right to report facts contained in unpublished writings, even if some *brief quotation* of expressive content is necessary to report those facts accurately" (A.242-43) (emphasis added). Finally, the dissent agreed with the concurrence that equitable considerations are always relevant to the issuance of an injunction (A.245).[16]

A trial on the issue of damages is now pending, at which time the extent of Holt's infringement may be determined. Prior to a trial on damages, there is simply no way for this Court to know which passages will be justified as fair use and which will be found to be infringing by the lower courts and on what basis.

REASONS WHY THE PETITION SHOULD BE DENIED

Holt's petition raises nothing more than hypothetical questions wholly inappropriate for review by this Court: How would the Second Circuit construe the copyright laws *if* it were presented with a book that did *not* quote *extensively* from copyrighted unpublished works, *if* the quotations were *in fact* essential to convey facts and ideas, and *if no* equitable factors existed that would militate against an injunction? This case raises none

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16 Prior to the en banc opinions, the district court *sua sponte* raised the issue whether New Era would be entitled to an injunction if it compensated Holt for the prejudice allegedly suffered as a result of New Era's laches. At the district court's request, New Era filed a memorandum arguing that the court *could* issue an injunction if Holt's prejudice were cured, but it found no case discussing this issue, and New Era explicitly reserved the right not to tender compensation even if the court concluded New Era is entitled to a permanent injunction. Memorandum of Law in Support of the Entry of a Permanent Injunction, at 2 & n.3. New Era has not moved for an injunction on this basis, Holt's misrepresentations to this Court notwithstanding, Pet. at 60 n.13, and has made clear to the district court that it does not seek an injunction.

New Era strongly objects to the statements made in the Petition, at 60 n.13, which appear nowhere in the record and are grossly inaccurate. Holt has distorted a brief comment made in the course of confidential settlement discussions, which it is improper for Holt to divulge at all, let alone mischaracterize. *See* Fed.R.Evid. 408.

of these issues, and Holt really is seeking an advisory opinion on behalf of publishers in general, since nothing this Court says in response to the issues raised by Holt will change the fact that Holt *prevailed* on the issue of New Era's right to an injunction, or will cure the fact of substantial infringement found by the district court as well as the court of appeals.

I. THE PETITIONER PREVAILED ON THE ONLY ISSUE UPON WHICH THE COURT OF APPEALS RULED

Petitioner Holt *prevailed* on the only issue resolved by the court below: whether New Era was entitled to a permanent injunction. Nothing in the court's opinion directly resolved the fair use issues raised by Holt, or even acknowledged Holt's cross-appeal. Instead, the court "relegat[ed] . . . New Era to its damages remedy" (A.22). At a trial on damages, the district court may apply the fair use analysis set forth in *Harper & Row* and reaffirmed below to the allegedly infringing passages, and those determinations may be subject to appellate review.

Until that time, this Court has only the abstract dictum of the court below, with no indication of how that dictum will be applied in the concrete factual circumstances of this case. Thus, for example, this Court has no way of knowing whether the lower courts will find the quotations from the letters Mr. Hubbard wrote to various government agencies—and of which Holt so vociferously complains—to be infringing and if so, to what extent. The district court found such copying to be fair use; the court of appeals made no findings whatsoever on these passages, although it made clear that some copying of unpublished material could be fair use (A.231, 240). On the other hand, under any possible definition of fair use for unpublished works, there can be no justification for the extensive copying of substantial portions of the Asia Diaries and other unpublished confidential materials, as even the district court acknowledged.

Consideration of the fair use issue here is not jurisdictionally barred in the constitutional sense;[17] "[t]he literal language of

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17 On the other hand, the injunction issue *is* jurisdictional, because there is no case or controversy within the meaning of Article III to the United States Constitution. *See* Point II, *infra*.

the [28 U.S.C.] § 1254(1) reference to any party is broad enough to encompass the winning party before the court of appeals. But . . . there appears to be no recorded instance where the Court has considered the problem or has granted a petition filed by a party who prevailed on the merits below." R. Stern, E. Gressman & S. Shapiro, *Supreme Court Practice* 46 (6th ed. 1986).[18] Rather, the issue implicates this Court's prudential practice of "refus[ing] to entertain an appeal by a party successful in obtaining a final judgment in his favor in the lower court." *Id.* (citing cases). *Cf.* A.224 (Miner, J., concurring in denial of petition for rehearing) (noting the "unprecedented proposal for in banc hearing suggested by a prevailing party dissatisfied with certain nondispositive language").

Here the *only* judgment is in favor of the petitioning party; there still must be a damages trial on the fair use issues, at which time the lower courts will have full opportunity to analyze the allegedly infringing passages under the relevant decisions and to create a record for appellate review. Intervention by this Court now would be premature and would result in little more than an advisory opinion on abstract questions that have little to do with this case and which have yet to be applied in a concrete instance. Indeed, if the petitioner is correct that the decision below is having an adverse impact on the publishing industry, surely this Court can expect that there will be ample opportunity in appropriate cases for clarification (if such be needed) of the position of the court below, and there will be ample opportunity for this Court to address in a concrete factual context the issues only hypothetically raised by the petitioner here.

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18 In *Trans World Airlines, Inc.* v. *Hardison*, 432 U.S. 63 (1977), this Court granted certiorari to both TWA and the Union, both defendants-appellees below. TWA had lost in the court of appeals, but the Union had technically prevailed since the plaintiff had not directly challenged the district court's decision in the Union's favor and the court of appeals did not address the merits as to the Union. *Id.* at 70 & n.5. The Court noted the anomaly in granting *certiorari* to a prevailing party, but found that, given that the Court resolved the case in TWA's favor, it did not need to discuss further the Union's status before the Court. *Id.* at 70 n.5.

II. HOLT CANNOT RAISE THE ISSUE OF THE PROPRIETY OF AN INJUNCTION HERE, SINCE NO INJUNCTION ISSUED

As Holt recognizes at the outset of Point IV of its Petition, at 59, New Era was *denied* a permanent injunction in this case. Nevertheless, Holt asserts that it is entitled to an advisory opinion from this Court as to the correctness of the Second Circuit's general standard for the issuance of an injunction in copyright infringement actions.

In an effort to manufacture a case or controversy on the proper injunction standard, Holt first argues that a temporary restraining order and a stay pending appeal had been in effect prior to the Second Circuit's decision in April 1989. Holt, however, lacks standing to complain of these orders which have been dissolved for almost nine months. After a TRO entered on May 20, 1988, Holt *consented* to its maintenance throughout the pendency of the permanent injunction motion (A.57; J.A.421). Holt never sought its dissolution in the district court, the court of appeals, or this Court pending the district court's determination almost three months later. Likewise, Holt never sought relief from the Second Circuit's stay pending appeal during the almost seven months the case was under advisement either in that court or in this Court. Having failed to exhaust its challenges to these long-dissolved stays, Holt has no basis to complain to this Court now that the stays were improper.

The normal prohibitions against interlocutory appeals are waived for preliminary injunctions and stays pending appeal, precisely to permit an allegedly aggrieved party to protect his rights, and to avoid such belated complaints of long-dissolved injunctions. *See* 28 U.S.C. § 1292(a) (court of appeals has jurisdiction of interlocutory orders granting injunctions); *Sampson* v. *Murray*, 415 U.S. 61, 86-87 (1974) (temporary restraining order treated like preliminary injunction for purposes of appellate review when continued beyond the time permissible under Fed.R.Civ.P. 65); *Metropolitan County Board of Educ.* v. *Kelley*, 453 U.S. 1306 (1981) (per Stevens, J.) (jurisdiction exists to vacate stay issued by court of appeals pending appeal). Thus,

no case or controversy is created by a stay lifted almost nine months ago that Holt never even bothered to challenge.

Holt also attempts to manufacture a case or controversy by alleging that New Era has argued that an injunction may issue if New Era cured the prejudice to Holt caused by New Era's purported laches. Yet, as Holt well knows, New Era has expressly disavowed to the district court its intent to seek such relief, and the arguments made were solely in response to a *sua sponte* request by the district court for briefing on this issue. Certainly, the mere fact that an abstract question was at one time raised by the district court, without resolution, does not create a case or controversy in *this* Court.[19]

This case highlights the propriety of the "case or controversy" requirement of Art. III of the Constitution. New Era was denied an injunction because of laches. It no longer has any interest in whether it could *also* be denied an injunction for other reasons, or whether the proper injunction standard is precisely as formulated by any of the decisions below. New Era's lack of interest in the issue or its outcome removes the concrete adverseness required to present the requisite "case or controversy." *See Babbitt* v. *United Farm Workers National Union*, 442 U.S. 289, 298 (1979) (Article III requires that the "conflicting contentions of the parties . . . present a real, substantial controversy between parties having adverse legal interests, a dispute definite and concrete, not hypothetical or abstract").[20]

In any event, Holt's position that "injunctive relief [should] be discretionary, not mandatory, in cases of infringement," pursuant to 17 U.S.C. § 502, Pet. at 62, is not inconsistent with the Second Circuit's position. The four judges concurring in the denial of the petition for rehearing *en banc* also explicitly noted "the discretionary nature of an injunction," and stated, "*[a]ll*

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19 Holt argues that the injunction issue is "*certain*" to recur again and again. Pet. at 60. Assuming this is so, prudence would seem to dictate that this Court await another case that actually presents the issue.

20 Holt makes reference to a pending copyright case, *New Era Publications International, ApS* v. *Carol Publishing Group*, No. 89 Civ. 3845 (S.D.N.Y.). This case, however, in which no substantive decision has been issued, does not involve unpublished materials, and so does not even raise the abstract issues that Holt presents here.

now agree that injunction is not the automatic consequence of infringement and that equitable considerations always are germane to the determination of whether an injunction is appropriate." (A.234) (emphasis added). The concurrence also quoted the relevant language in 17 U.S.C. § 502(a). Finally, the four dissenting judges agreed: "The panel's holding demonstrates that its language is not to be understood as narrowing the equitable discretion as to the propriety of an injunction, which is conferred by statute," again citing Section 502(a) (A.245). Where the petitioning party and the court below hold similar views, and where the losing party does not seek review and lacks an interest in the outcome of the theoretical debate, there is no basis for this Court to grant review, both as a prudential matter and under the limitations of Article III.

III. THIS IS AN UNEXCEPTIONAL CASE OF COPYRIGHT INFRINGEMENT THROUGH EXTENSIVE QUOTATION OF UNPUBLISHED WORKS

Even assuming this Court felt that the fair use issues were properly presented for this Court's review, this is an unexceptional case of copyright infringement which the Second Circuit resolved under the principles previously set out in *Harper & Row*, *supra*, 471 U.S. 539, and other decisions of this Court. Only through gross distortion of the record can petitioner argue that this unremarkable case warrants this Court's scrutiny.

A. The Court Below Recognized That Brief Quotations From Unpublished Copyrighted Works May Be Fair Use, But That This Case Involved Extensive Quotations

Petitioner has grossly misrepresented the facts of this case to suggest it involves only "brief" quotations from unpublished works. It then inaccurately suggests that the court of appeals indicated (albeit in dictum) that even brief quotations from unpublished works cannot be fair use. In fact, the court of appeals recognized that brief quotations may be fair use, but correctly considered that principle inapplicable to this case, which involves extensive quotations from unpublished works.

This Court in *Harper & Row*, 471 U.S. at 563, made clear that "brief" quotations from unpublished copyrighted works may be permitted under the fair use doctrine. Contrary to petitioner's misrepresentation, the court below accepted this to be a settled principle of law. The panel opinion did not address whether brief quotations of unpublished works could be fair use, since that is not an issue in this case. The concurrence to the denial of rehearing *en banc*, however, explicitly embraced the principle that brief quotations may be used:

> It is heartening to note that the dissenters "are confident that [the panel majority] has not committed the Circuit to the proposition that the copying of some small amounts of unpublished expression to report facts accurately and fairly can never be fair use." This confidence is not misplaced, of course, because there is nothing in the panel majority that suggests otherwise!

(A.230-31) (material in brackets in original). Thus, a clear majority of the judges of the Circuit—the four judges joining in the concurrence in the denial of rehearing as well as the four judges joining in the dissent—explicitly recognized that brief quotations of unpublished works may be fair use.[21]

The concurrence to the denial of rehearing also reiterates the view of the panel majority regarding fair use—namely, that the quotations here were simply too extensive to be excused as fair use. Immediately after acknowledging that brief quotations may be permitted, the concurrence noted that:

> A different finding on the "amount and substantiality" fair use factor in the case at bar well might have dictated the same outcome in the case [denial of an injunction] were laches not available as a defense.

(A.231) (material in brackets added).

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21 The language of the concurrence to the denial of rehearing is instructive regarding the panel majority dictum, as it is written by the author of the panel opinion, concurred in by the other member of the panel majority, and explicitly purports to clarify the meaning of the panel opinion on this point.

The extent of the copying, not any novel theory of law, dictated the panel's views as to fair use. The panel found that the book included "extensive quotations from Hubbard's unpublished Asia Diaries of 1927-1929," and noted that 73 passages from that work were quoted, as well as 59 passages from other unpublished works (A.9). The panel's finding of extensive quotation are fully consistent with those of the district court, which noted "[t]here is no dispute that the biography quotes *extensively* from Hubbard's writings." (A.68) (emphasis added).[22]

Petitioner can point to no case, certainly none decided after the Court's decision in *Harper & Row*, in which quotation of 3,100 unpublished words or anywhere near that number has been justified under the fair use doctrine.[23] This amount of taking is far in excess of the "generous" quoting of 300 to 400 words copied by the *Nation* magazine from the memoirs of President Ford, which this Court found infringing. *Harper & Row*, 471 U.S. at 548, 569. The simple fact is that the extensive, gratuitous copying of unpublished material in this case made it relatively easy to determine that the use was not fair.

Finally, it is important to place the alarmist tone of the Petition and the *amici* in perspective.[24] Historians and biographers remain free to utilize and report any fact or idea they discover

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22 It is these dispositive findings of the district court and the court of appeals which illustrate the distortion of record by Holt in contending that the copying involved only "very brief" quotations.

23 The weakness of petitioner's case is highlighted by its sole reliance for this point upon *Estate of Hemingway v. Random House, Inc.*, 53 Misc.2d 462, 279 N.Y.S.2d 51 (Sup. Ct. N.Y. Co.) *aff'd*, 29 A.D.2d 633, 285 N.Y.S.2d 568 (1st Dept. 1967), *aff'd*, 23 N.Y.2d 341, 296 N.Y.S.2d 771 (1968), a pre-*Harper & Row* case, Pet. at 36-37, which involved no verbatim copying of unpublished letters. The case primarily turned on the court's analysis that the writer's *oral* conversations with Hemingway were not copyrightable by Hemingway.

24 This Court should ignore the bald, unsubstantiated allegations of amicus Pen American Center, at 19-20, that certain other books could not have been written "in the same way" under the decision below. The brief does not put forth a shred of evidence to support its self-serving claim, and this tactic reflects the hyperbole and distortion endemic to the Petition and the amicus briefs.

in unpublished, copyrighted works.[25] The court below, consistent with this Court, has merely stated that *quotation*, not use, of such materials must be brief. Because there is no copyright for any ideas or facts found in such materials, *Harper & Row*, 471 U.S. at 556; A.20, there is no dramatic censorship of critical views entailed in the opinion of the court below. There is simply nothing novel in the court of appeals' abstract fair use analysis that could warrant this Court's review.

B. Petitioner's Claim For Expanded Fair Use Was Soundly Rejected By This Court In *Harper & Row*

Petitioner contends that the court of appeals was wrong not to recognize a greater right "for scholars" to appropriate extensive amounts of copyrighted expression where the asserted purpose is to convey facts "accurately." Pet. at 42-47. This argument for such special treatment, however, falsely suggests that Miller's quoting was necessary to convey facts and, in any event, was soundly rejected by this Court in *Harper & Row*.

Holt cannot realistically contend that the extended quotations taken here were truly necessary to report facts accurately. Neither the district court nor the panel opinion found this to be the reason for the extensive quotations. The district court found many of the quotations to be "reasonably necessary to the communication and demonstration of significant points being made about the subject" (A.85), not as "necessary to report facts accurately." The court of appeals rejected the district court's justification, but never addressed the issue of reporting "facts accurately," because such a rationale has nothing to do with

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25 Holt quotes historian Barbara Tuchman, Pet. at 32, to suggest that the decision below interferes with historical research. To the contrary, nothing in the decision below interferes with the process of historical research which Ms. Tuchman described. Were she alive today, she could "plunge . . . into the primary sources . . ." and pursue facts and ideas contained in unpublished works as vigorously as ever. She would merely be constrained to communicate those facts and ideas primarily in her own words, rather than in the copyright owners' words if the works were unpublished, copyrighted, *and* she lacked permission from the copyright holder.

this case.[26] The question of copying to report facts accurately was injected into this case for the first time in the abstract discussion in the en banc opinions, perhaps reflecting the fact that New Era had no opportunity to respond to the petition for rehearing en banc and thus focus the court on the actual issues raised by *this* case. It is simply impossible to justify the extensive quotations from the *Asia Diaries*, including, for example, descriptions of a Chinese marketplace and an old fort, *see supra*, at 3-4, as brief takings necessary to convey facts. Holt, like the *Nation* magazine, "did not stop at isolated phrases" but instead made use of copyrighted expression that far "exceeds that necessary to disseminate the facts." *Harper & Row*, 471 U.S. at 563-64.

Even assuming the issue exists in this case, the court below properly rejected Holt's appeal for the right to quote extensively to report facts accurately. Clarifying the sound reasons for rejecting Holt's distinction, the panel author stated in his concurrence to the denial of rehearing en banc:

> . . . I question whether judges, rather than literary critics, should decide whether literary material is used to enliven a text or demonstrate truth. It is far too easy for one author to use another's work on the pretext that it is copied for the latter purpose rather than the former.

(A.230).[27]

The rejection of a special dispensation for extensive quoting to "convey facts" by the panel below is entirely consistent with this Court's analysis in *Harper & Row*, which discussed and rejected a similar argument. In *Harper & Row*, the defendant-

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26 As noted, *supra*, n.13, the panel opinion never used the phrase "quotation necessary to report facts accurately," which petitioner mistakenly attributes to it. Pet. at 45.

27 The following example illustrates the problems that arise when judges turn literary critics. The district court characterized Passage No. 71 as "F10—Self-Presentation in Early Diaries." J.A.116. In fact, the author explicitly claimed to have quoted the passage to show Hubbard's "style of writing," J.A.536, which is F12 of the court's categories. It is difficult to understand how the passage is "reasonably necessary" to show Mr. Hubbard's "Self-Presentation" when that was not the author's intent at all.

respondent argued that fair use should be broader where the information it sought to convey related to matters of the highest public concern. It argued that copying President Ford's expression was "essential to reporting the news . . ." because " 'the precise manner in which [he] expressed himself [was] as newsworthy as what he had to say.' " 471 U.S. at 556 (bracketed material in original).

This Court characterized this theory as an argument that there should be a "public figure" exception widening fair use, and then rejected it. *Id.* at 557-60. The Court held that neither an individual's public figure status nor the fact that the manner of his expression is newsworthy can justify alteration of the balance struck between protection of copyright and the dissemination of information:

> Repondent's theory, however, would expand fair use to effectively destroy any expectation of copyright protection in the work of a public figure. . . . The fact that the words the author has chosen to clothe his narrative may of themselves be "newsworthy" is not an independent justification for unauthorized copying of the author's expression prior to publication.

Id. at 557. The Court further stated:

> ["]The fair use doctrine is not a license for corporate theft, empowering a court to ignore a copyright whenever it determines the underlying work contains material of possible public importance." *Iowa State University Research Foundation, Inc.* v. *American Broadcasting Cos., Inc.*, 621 F.2d 57, 61 ([2d Cir.] 1980).

Harper & Row, 471 U.S. at 558 (citing also *Roy Export Co. Establishment* v. *Columbia Broadcasting System, Inc.*, 503 F. Supp. 1137 (S.D.N.Y. 1980) ("newsworthiness" of material does not justify copying), *aff'd*, 672 F.2d 1095 (2d Cir.), *cert. denied*, 459 U.S. 826 (1982)).

Holt's claim to a broad right to quote copyrighted material is premised on its view that Mr. Hubbard was "one of the most . . . controversial *public figures* on the American scene." Pet. at 8-9 (emphasis added). Holt's plea for a right to quote in

order "to prove the fact that Hubbard used particular words and expressed particular views that were at odds with his public persona," Pet. at 43, is simply a reiteration of the argument for a public figure exception that was rejected by the Court in *Harper & Row*. While Holt has strained to put its argument in other words in order to avoid the clear holding of *Harper & Row*, that case firmly established that Holt has no special license to quote either because Mr. Hubbard's expression constitutes "pertinent historical facts," A.202, or because "the precise manner in which [he] expressed himself [was] as newsworthy as what he had to say." *Harper & Row*, 471 U.S. at 556.

Brief quotations from unpublished works necessary to convey facts accurately may be fair use. *Id.* at 563. But there are clear limits on permissible quoting necessary for accuracy; while it may be permissible to quote "isolated phrases," the quoting of "subjective descriptions and portraits" is not considered "necessary" to convey facts under this Court's analysis. *Id.* This Court has illustrated the limited type of "isolated phrases" which may be considered necessary to convey facts: "Mr. Ford's characterization of the White House tapes as the 'smoking gun' is perhaps so integral to the idea expressed as to be inseparable from it." *Id.*

The decision below is fully consistent with the parameters set out by this Court regarding permissible quoting "necessary" to convey facts, Holt's misrepresentation notwithstanding. Pet. at 45. The panel author stressed in the concurrence to the denial of rehearing that *brief* quotations may be justified, whether used to enhance accuracy[28] or to enliven the text (A.231). The four dissenting judges agreed (A.243). Nothing in the panel opinion

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28 It has been understood that the language of *Consumers Union* v. *General Signal Corp.*, 724 F.2d 1044, 1049 (2d Cir. 1983), *cert. denied*, 469 U.S. 823 (1984), relied upon by Holt, Pet. at 45, suggesting a general right to quote for accuracy, was implicitly rejected by this Court in *Harper & Row*. *See Consumers Union* v. *The New Regina Corp.*, 664 F.Supp. 753, 757 & n.5 (S.D.N.Y. 1987), where, on remand in the *Consumers Union* case, the district court noted that the *Consumers Union* language regarding quoting for accuracy was premised on the court of appeal's decision in *Harper & Row*, which was reversed by this Court. *See also* A.231-33. *Salinger*, 811 F.2d at 96 ("the biographer has no inherent right to copy the 'accuracy' . . . of the [author's] expression.")

suggests that the panel would have been unwilling to find fair use for brief quotes necessary for accuracy. Indeed, the judges dissenting to the denial of rehearing assumed "in light of the amount of protected expression copied" that the panel found Holt had not stopped at isolated phrases (A.242). This Court should not be misled into believing that an extreme position was adopted below which needs review here.

C. The Court of Appeals' Analysis Of The Market Factor Is Consistent With The Copyright Statute And Decisions Of This Court

As part of fair use analysis, Congress has required inquiry into "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). "[E]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright," and where "the intended use is for commercial gain, [the] likelihood [of future harm] may be presumed." *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984).[29] Petitioner's use of the copyrighted material was, of course, for commercial gain. Under *Sony Corp.*, the holding of the court below that there was potential market impairment was more than adequately supported.

Contrary to petitioners' implication, Pet. at 57, the court below relied on the factual findings of the district court. The district court "credit[ed] plaintiff's assertion that it will commission an authorized biography of Hubbard and that the entire archive of Hubbard's writings, including the documents quoted by Miller, will be available for this project." (A.174). Explicitly relying on these findings of fact, the court below held that petitioner's copying would have some effect on the market for the forthcoming biography, and very reasonably questioned how the district court could come to the opposite conclusion, given its own findings of fact:

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29 Even where the use is noncommercial, it is not "necessary to show with certainty that future harm will result. What is necessary is that *some* meaningful likelihood of future harm exists." *Sony Corp.*, *supra*, 464 U.S. at 451 (emphasis original).

> Since the district court accepted New Era's contention that it would commission an authorized biography of Hubbard and that all Hubbard's writings, published and unpublished, would be made available for that purpose, it is difficult to conclude, as does the district court, that the book published by Holt would have no effect on the market for New Era's forthcoming book.

A.19.

Petitioner's baseless charge that the court below engaged only in "speculation that New Era might use some of the same words quoted by Mr. Miller," Pet. at 57, ignores both the presumption which should be applied in respondent's favor, *Sony Corp.*, *supra*, 464 U.S. at 571, and the facts. The district court itself understood that respondent intended to use much of the same material that petitioner copied (A.124).[30] It cannot realistically be questioned that respondent intends to use the Asia Diaries and letters quoted by Miller in its planned biography. These Diaries are, of course, a very rich resource regarding Mr. Hubbard. Indeed, Holt tacitly acknowledged the high value of the Diaries by its wholesale copying from them. Petitioner's work took and copied the core of the Diaries (J.A. 800-01), or, in this Court's words, "the heart of the book." *See Harper & Row*, 471 U.S. at 564-65. It can hardly be doubted that Holt's extensive quotations from the Diaries would have at least some likely effect on the market for the Diaries or a biography containing portions of them. Holt's argument to the contrary does not merit this Court's review.[31]

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30 The panel concurrence below suggests that some of the material quoted by Miller is unlikely to be used in New Era's biography because it is allegedly not flattering to Mr. Hubbard (A.44). However, much of the material taken is favorable to Mr. Hubbard and might well be used in the biography. Indeed, the district court found that the material quoted "appears unflattering to Hubbard only because of Miller's 'bias and slant', Long Aff. ¶ 28 and that 'there are two sides to every coin' " (A.124).

31 Petitioner's comparison of the evidence of market impairment here to that in *Harper & Row*, Pet. at 58 n.12, is misplaced. As this Court noted, "[r]arely will a case of copyright infringement present such clear-cut evidence of actual damage" as did the *Harper & Row* case. *Harper & Row*, 471 U.S. at 567.

IV. HOLT'S PERIPHERAL ARGUMENTS DO NOT MERIT THIS COURT'S REVIEW

Holt continues to present several baseless or irrelevant arguments that have been properly ignored or rejected by the courts below.

A. Petitioner's Contention That The Unpublished Works In This Case Are "Disseminated" Or "Technically" Unpublished Was Rejected By The Courts Below

Petitioner attempts to escape this Court's limitations on the amount of copying from unpublished works that may be justified as fair use by characterizing the works in issue here as "disseminated" or only "technically" unpublished. *See* Pet. at 7-8, 10-11, 42, 48-51. The assertion is a gross distortion of the truth, and masks the fact that Holt litigated and lost this issue in *both* the district court and court of appeals. Holt has not sought review of the determination below, yet persists in proposing to this Court that the documents are only "technically" unpublished or "disseminated."

Below, Holt contended that numerous documents, including the Asia Diaries, lost their status as unpublished when, after they had been converted from the Church of Scientology of California and the Church filed suit to recover them, the convertor was ordered to deposit them into state court. Holt neglected to state below, as it neglects to do here, that the documents were placed and maintained under seal in the court file, by court order.

The district court expressly held that the documents ordered into the California court under seal were unpublished. It reasoned that "[i]f the bringing of a lawsuit to enforce a right necessarily resulted in its sacrifice, the right would be chimerical. *Cf. Marvin Worth Productions* v. *Superior Films Corp*, 319 F. Supp. 1269, 1271 (S.D.N.Y. 1970)" (A.68 n.3). The panel majority implicitly accepted the holding that the documents placed in the court record were unpublished, and Judge Oakes in his concurrence explicitly accepted it, noting: "for all practical purposes the documents in the California case were at almost all times under seal, subject to court order, not copied

and ultimately returned to the Church after the settlement of Armstrong's cross-claim against the Church." (A.29-30 n.4). Following the issuance of the panel opinions, Holt failed to move for reargument of the determination that the documents placed in the California court file under seal were unpublished. Nor has it asked this Court to review the question whether these documents are unpublished or "disseminated," instead assuming a position directly contrary to the decisions below. Thus, petitioner has failed to preserve this issue.

Holt has also implied that most of the passages it claims are disseminated are from letters to government officials or agencies. *See* Pet. at 11. As previously shown, these letters account for only 32 of 132 instances of copying from unpublished works. Since the letters to government officials and agencies account for a small minority of the copied passages, and because the court below never discussed these letters at all, there is no need for this Court to review the status of these documents as "disseminated" *vel non* at this time.[32]

Given that the central argument regarding "dissemination" relates to the placement of the documents into the California court record, and the settled state of the law holding that these documents are not disseminated,[33] there is no need for Supreme

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32 Respondent submits that the issue of whether these letters were unpublished was correctly decided by the district court (A.68). *See, e.g.*, 1 M. Nimmer, *Nimmer on Copyright*, § 4.10, at 4-49 & n.4 (1989); *WPOW, Inc.* v. *MRW Enterprises*, 584 F.Supp. 132, 136 (D.D.C. 1984).

33 In addition to the opinion of the district court (A.68 n.3) and the concurring opinion of the panel (A.29-30, n.4), *see also Marvin Worth Productions* v. *Superior Films Corp.*, 319 F.Supp. 1269, 1271 (S.D.N.Y. 1970); *Douglas International Corp.* v. *Baker*, 335 F.Supp. 282, 285 (S.D.N.Y. 1971); *Testa* v. *Janssen*, 492 F.Supp. 198, 202 (W.D. Pa. 1980), *citing Bartok* v. *Boosey & Hawkes, Inc.*, 523 F.2d 941, 945 (2d Cir. 1975).

Petitioner relied without success in the courts below on the one case it relies on herein, *McClesky v. Zant*, No. 1:81-CV-2434 (N.D. Ga. 1988). Pet. at 48. *McClesky* is entirely inapposite, since there a copyright owner voluntarily placed the copyrighted work, a social science database, into an open court record for the express purpose that it be used for the resolution of a legal question in a pending case—*i.e.*, whether the death penalty was imposed in a racially discriminatory manner. Here, the copyrighted materials were ordered placed in court under seal by the individual who the California court determined had converted them.

Court review of this issue. The full extent of the protection accorded unpublished copyrighted works by this Court in *Harper & Row* applies in this case.

B. The Issue of "Creative Control," If Relevant, Favors New Era

Both the district court and the court of appeals properly ignored Holt's arguments concerning "creative control" of Mr. Hubbard's unpublished works. This irrelevant argument deserves no more attention from this Court. In *Harper & Row*, this Court discussed the right to prepublication creative control in the context of rejecting the *Nation*'s argument "that the unpublished nature of copyrighted material is *only relevant to letters* or other confidential writings not intended for dissemination," not manuscripts that would soon be published. 471 U.S. at 554 (emphasis added). The issue of prepublication creative control merely provided a reason to bring soon-to-be-published works within the same protection traditionally accorded unpublished letters and other personal papers. Holt would now stand this Court's position on its head in arguing that where the author cannot exercise prepublication creative control (because he is deceased), there is no (or diminished) copyright protection for "letters and other confidential writings." In any event, the issue of the author's creative control, which merely helped to bring President Ford's memoirs within the well-established protection for letters and other confidential writings, was hardly dispositive of the result in *Harper & Row*.

Moreover, the argument that no interest remains in "creative control" of the unpublished works because Mr. Hubbard is dead ignores the fact that the purpose of the copyright law is to protect copyright *holders*, not only authors. *See* 17 U.S.C. § 501; *Dodd, Mead & Co., Inc.* v. *Lilienthal*, 514 F.Supp. 105 (S.D.N.Y. 1981). Thus, while Mr. Hubbard obviously cannot exercise "creative control" today over his unpublished works, New Era, as the exclusive copyright licensee, retains as great an interest in the right of first publication and other rights as does the original author. Thus, the copyright holder retains the

exclusive right to exercise creative control in which unpublished works to publish, in what manner, and when.

C. New Era Retains the Important Right Not to Speak

In *Harper & Row*, 471 U.S. at 559, this Court recognized that copyright holders retained a "right not to speak," which was a corollary of the right of first publication. Holt's claim that the copyright holder, as opposed to the author, has no such right is without any basis in law. In *Harper & Row*, this Court spoke of the right not to speak in terms of "the copyright owner's monopoly," and that "copyright . . . serve[s] this countervailing First Amendment value." *Id.* at 559-60.[34] As the copyright holder, New Era may determine not only which of Mr. Hubbard's works to publish, but whether to publish at all. The Copyright Act clearly does not contemplate that the rights conferred by the Act are vanquished by the author's death. *See* 17 U.S.C. §§ 302(a), 303; *Salinger*, *supra*, 811 F.2d at 100.

Holt would totally destroy this right not to speak by the sophistic argument that Mr. Hubbard's written utterances are "pertinent historical facts," Pet. at 54, that he or his heirs have no right or power to keep from the public. Yet there is no difference between Mr. Hubbard's unpublished writings and those of President Ford's. Certainly, what President Ford had written (in prepublication form) about his role in the pardon of President Nixon conveyed more "pertinent historical facts" than what Mr. Hubbard had to say as a teenage traveler in Asia sixty years ago. Yet this Court recognized that "[i]t is fundamentally at odds with the scheme of copyright to accord lesser rights in those works that are of greatest importance to the public." 471 U.S. at 559. Just as President Ford retained the "right not to speak" after writing, but before publishing, his memoirs, so

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34 In *Harper & Row*, this Court noted that the copyright monopoly could not be used to suppress facts. 471 U.S. at 559. Despite Holt's protestations to the contrary, a review of the infringing passages makes clear that quotation of virtually none of the passages are even arguably necessary to convey "pertinent historical facts," and there is no basis for the claim that copyright law has been used here to suppress facts or ideas. *See* A.20 (panel opinion discussing distinction between idea and author's expression of an idea).

too does New Era, as Mr. Hubbard's successor, retain the "right not to speak" by not publishing works already written by Mr. Hubbard.

C. This Case Has Nothing to Do With Personal Privacy

Throughout this litigation, New Era has found itself in the bizarre position of repeatedly stating that this case has nothing to do with privacy rights, and yet facing continuous arguments from Holt, the district court and the concurrence below rejecting a privacy position purportedly asserted by New Era.[35] Once again, New Era asserts that nothing in this case turns on privacy rights. This case is governed by *copyright* law, and the rights of the copyright holder do not turn on the privacy interests that do or do not exist in any particular case.[36]

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35 In the district court, in response to arguments raised by Holt, New Era stated, "This is a copyright case, . . . not a privacy case. . . The absence of a personal privacy interest is irrelevant to the copyright *property* rights at issue here. Defendant, of course, cites no modern *copyright* case turning on privacy." Pl. Memo at 46. Nevertheless, the district court stated that New Era had alleged a privacy interest, and then rejected this purported argument because "protection of privacy is not the function of our copyright law." (A.85-86), a proposition with which New Era agrees. In the court of appeals, New Era again asserted that privacy issues are irrelevant to copyright law. While the majority properly ignored this issue, the concurring judge also mistakenly attributed such an argument to New Era, and then properly rejected the relevance of a privacy issue here (A.30 n.4).

36 Holt suggests that this case is different than *Salinger*, 811 F.2d 90, because "*Salinger* was tacitly influenced by concerns for Mr. Salinger's personal privacy." Pet. at 54. However, in his dissent from the denial of rehearing en banc, Judge Newman, the author of the *Salinger* opinion, while suggesting some changes to that opinion, ignored the privacy issue altogether, despite Holt's clamoring for a privacy distinction between this case and *Salinger*. *See also* Newman, *Copyright Law and the Protection of Privacy*, 12 Colum.-VLA J.L. & Arts 459, 460 n.2 (1988) (Manges lecture by Judge Newman, in which he denies that privacy issues were relevant to the decision in *Salinger*).

CONCLUSION

For the reasons stated herein, the petition for a writ of certiorari should be denied.

Dated: January 11, 1990

Respectfully submitted,

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No. 89-869 (3)

IN THE

Supreme Court of the United States

OCTOBER TERM, 1989

HENRY HOLT AND COMPANY, INC.,

Petitioner,

—against—

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,

Respondent.

BRIEF *AMICUS CURIAE* OF THE ASSOCIATION OF AMERICAN PUBLISHERS, INC., IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

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BRIEF *AMICUS CURIAE* OF THE ASSOCIATION OF AMERICAN PUBLISHERS, INC., IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

Association of American Publishers, Inc. ("AAP") respectfully submits this brief, *amicus curiae*, pursuant to Rule 36 of the Rules of this Court, in support of the petition of Henry Holt and Company, Inc. ("Holt") for a writ of certiorari to review the opinion of the United States Court of Appeals for the Second Circuit in this action.[1]

INTEREST OF THE *AMICUS CURIAE*

AAP is the major trade association of book publishers in the United States. Its more than 200 members include most of the leading commercial book publishers in the United States, as well as many smaller and non-profit publishers, university

1 Copies of both parties' consents to the filing of the brief are submitted herewith.

presses and scholarly associations. AAP's members together account for 75 percent of the dollar volume of books published in this country.

The works of AAP's members enrich our storehouse of knowledge and serve well the publishing industry's assigned tasks of preserving our cultural heritage, educating and informing the populace, and offering thoughtful, if often provocative and critical, insights into the political, social, religious and other cross-currents that help shape and enrich our lives. Especially significant in fulfilling these objectives are biographies of public figures, historical treatises, and other forms of scholarly commentary and criticism focusing on important events and personages. To be lucid and penetrating, analytical and thorough, works of this genre call upon the widest possible range of source materials. They do not, nor could they credibly, draw the line at analyzing the "public" record, as reflected solely in published materials; at least as important is the "non-public" record, as revealed in unpublished (but often, as here, publicly disseminated) primary source materials such as a biographee's speeches, correspondence and diaries.

The reasoning of the Court of Appeals in this case threatens profoundly negative consequences for the vitality of works of biography and history so dependent upon resort to such unpublished materials. The Second Circuit, which embraces the capital of the nation's book publishing operations, has enunciated two virtual *per se* rules which are at odds with basic copyright and First Amendment precepts and this Court's controlling precedents. The first rule is that no biographer or historian (or anyone else) can quote or closely paraphrase—however selectively and limitedly, and regardless of purpose—any technically unpublished material unless the creator of that material (or the estate or others to whom the rights have passed) has granted permission. *Per se*, according to the Court of Appeals, there cannot be any fair use of such material. The Court of Appeals' second virtual *per se* rule is that the inevitable remedy for utilizing "more than minimal amounts" of such unpublished material is an injunction against publication of the work.

This one-two punch landed by the Second Circuit on historical and scholarly publishing is a knockout blow. In the wake of the decision below, no prudent publisher can afford to risk even very limited quotation from unpublished materials—no matter the degree of their prior dissemination or how compelling the purpose—since to do so invites injunction of the entire work. The Second Circuit's flat pronouncement as to the unavailability of fair use for unpublished materials is unpalatable in and of itself; coupled with the sanction publishers have now been advised to expect, the decision's likely effects are indeed Draconian and stifling.

The AAP and its publisher members have a direct and compelling interest in the protection against appropriation of their literary property guaranteed by § 106 of The Copyright Revision Act of 1976 (hereinafter the "1976 Copyright Act"). At the same time, they have a vital interest in their ability and duty fully to inform the public through the publication of serious and scholarly historical and biographical works, which almost invariably must draw upon copyrighted published and unpublished sources. The "difficult balance" between authors' interests in controlling their writings and "society's competing interest in the free flow of ideas, information, and commerce," *Sony Corp.* v. *Universal City Studios*, 464 U.S. 417, 429 (1984), has been accommodated by the copyright law's fair use doctrine, now codified in § 107 of the 1976 Copyright Act.

Both the framers of the copyright law and this Court have recognized that the fair use doctrine calls for an equitable balancing of the interests of creators and the public at large, and is subject to case-by-case application. Most recently, in *Harper & Row Publishers, Inc.* v. *Nation Enters.*, 471 U.S. 539 (1985), this Court dealt directly with the subject of fair use in the context of unpublished works. It there placed a substantial, but not insuperable, burden on one seeking to utilize unpublished (and there undisseminated) materials, in deference to authors' rights of first publication. The Court in *Harper & Row* anticipated situations, not presented on the facts there involved, where resort to unpublished material *can* qualify as a fair use—for instance where the materials, although technically unpublished, have

been disseminated or where quotation may be "necessary adequately to convey the facts." *Id.* at 563.

Regrettably, the Second Circuit has left no room for the mandated case-by-case determination. In disregard of *Harper & Row* and congressional intent, it has effectively prescribed that the single dispositive factor in the fair use calculus when dealing with unpublished materials is their unpublished nature. Their use, however limited, for whatever purpose, with whatever impact on the market for the original, and regardless of the extent of their prior dissemination, is strictly forbidden if without permission. This conclusion has been given further astonishing weight by the injunction remedy said by the Second Circuit to follow as a matter of course from violation.

The Court of Appeals' mode of analysis is plainly at odds with the copyright law, the policies of the First Amendment and all governing precedent. AAP's belief that it will have enormous detrimental consequences to the publishing process and to the carefully fashioned balance between creators' rights in their unpublished works and the public's interest in and need for access to information and knowledge, leads it to submit this brief, *amicus curiae*, urging reversal of the decision below.

STATEMENT OF THE CASE

This lawsuit is part of a continuing effort by the Church of Scientology to limit unauthorized commentary about its now deceased founder, L. Ron Hubbard. Specifically, the suit seeks to enjoin publication of a biography critical of Hubbard on grounds that the biographer has infringed copyrights of Hubbard contained in various of his unpublished works.[2]

In 1987, New Era Publications, a corporation related to the Church of Scientology and founded to hold Hubbard's copyrights, sued to enjoin Henry Holt and Company from publish-

2 The opinions below are reported at 695 F. Supp. 1493 (S.D.N.Y. 1988), *aff'd*, 873 F.2d 576 (2d Cir.), *reh'g denied*, 884 F.2d 659 (2d Cir. 1989).

ing *Bare-Faced Messiah* ("*Messiah*"), a biography of Hubbard by Russell Miller. This litigation effort in fact followed previous efforts by New Era (all unsuccessful) to enjoin publication of the work in three other countries, and, indeed, was brought as a copyright action only after previous assertions that publication would be defamatory failed to deter publication. *See* 695 F.Supp. 1493, 1527-28 n.14.

Messiah, which is sharply critical of Hubbard and his teachings, relies in part on a number of Hubbard's published and unpublished works. Although its suit embraced *Messiah*'s unauthorized use of published as well as unpublished works, New Era focused its attack, and the opinions below their analysis, upon the book's use of Hubbard's unpublished writings. Among the unpublished works drawn upon were Hubbard's letters to the government, a benefits application to the Veteran's Administration, personal letters, and diaries. Many of the documents were obtained by Miller from United States government agencies by means of Freedom of Information Act requests.

The excerpts quoted from unpublished works were found by the District Court, per Judge Pierre Leval, to have been utilized almost exclusively to demonstrate particular character traits and flaws possessed by Hubbard—such as dishonesty, paranoia, and boastfulness—at odds with the self-image carefully projected by Hubbard to the public. *Id.* at 1508. The District Court further concluded that Miller's use of selected passages was neither gratuitous nor designed merely to display Hubbard's style of writing but, rather, as to the vast majority, "reasonably require[d] . . . to demonstrate the validity of an important critical point." *Id.* at 1523.

As against New Era's position that the unpublished nature of the works virtually conclusively precluded a fair use finding, Judge Leval determined that the overwhelming percentage of the challenged uses were indeed fair uses under § 107 of the 1976 Copyright Act. The court observed that "[t]heir value for the biography lies precisely in the subject's choice of words—not as a matter of literary expression—but for what the choice of words reveals about the subject." *Id.* at 1524. Plainly, the

court realized, without such freedom of quotation, "the biographer's point . . . cannot be made." *Id.* at 1507. Further in support of its fair use determination, the District Court concluded, analyzing the critical fourth factor to be weighed under § 107—the effect of the taking on the market for Hubbard's writings—that because the takings constituted only "small fragments of the aggregate" of the works drawn from, and would not satisfy the appetite of those interested in Hubbard's writings, *id.* at 1523, no adverse market effect had been demonstrated.

Nevertheless feeling somewhat constrained by the Second Circuit's earlier decision in *Salinger* v. *Random House, Inc.*, 811 F.2d 90 (2d Cir.), *cert. denied*, 484 U.S. 890 (1987),[3] the District Court reluctantly found that a "small but more than negligible" body of unpublished material utilized by Holt did not pass the fair use test. 695 F. Supp. at 1524. As to these minor infringements, Judge Leval denied New Era injunctive relief as against further distribution of the work, both because of New Era's extreme delay in bringing suit, and because of the countervailing public interest in the creation and dissemination of scholarly works and related First Amendment considerations. In the District Court's view, a damages remedy for the minor infringements involved was, under the circumstances, more than adequate.

On appeal, the Second Circuit, in a majority opinion written by Judge Roger Miner, affirmed the holding of infringement, but grounded its reasoning on a far broader and more troublesome base. Evincing no interest in the purpose for which the quotations were used, and conclusorily, without citation to any

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3 In *Salinger*, the Second Circuit rejected a fair use defense to a biographer's incorporation of excerpts from personal letters penned by the reclusive author, J. D. Salinger. While the court there gave great deference to the technically unpublished nature of the letters (albeit most, if not all, were available for review at university libraries), a number of factors, including, in the view of some, Salinger's privacy interest, *see New Era*, 873 F.2d at 585 (Oakes, C.J., concurring), arguably led the Second Circuit to its decision there. With its decision here, however, the Second Circuit has elevated *Salinger*'s deference to the unpublished nature of a work to a virtually absolute bar to fair use.

record evidence, noting its disagreement with the District Court's conclusion concerning the likely effect of the uses on the market for Hubbard's writing (finding instead that "some impairment . . . seems likely"), the majority enunciated a virtually *per se* rule that any use of unpublished materials without permission constitutes infringement. Observing that "unpublished works normally enjoy complete protection," 873 F.2d 576, 583, the Court of Appeals gave utterly no indication of *any* circumstances in which there could be fair use of such material.

And, while the Court of Appeals majority concurred in denial of an injunction, it did so solely on the basis of New Era's delay in having brought suit. It made clear its position that, absent such circumstance, the copying of " 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use." *Id.* at 584.

In his concurrence, Judge James Oakes, reciting this Court's *Harper & Row* case precedent along with other authority, sharply criticized the majority's invocation of a virtual *per se* rule against fair use of unpublished works, as well as its view that an injunction should automatically issue in such cases. 873 F.2d 576, 585 (Oakes, C.J., concurring).

Holt's application for a rehearing *en banc* was denied by a 7 to 5 vote. Judge Jon Newman, dissenting from the denial, expressed concern that the panel's opinion dangerously extends *Salinger* and "risks deterring [authors and publishers] from entirely lawful writings in the fields of scholarly research, biography, and journalism." 884 F.2d 659, 662 (Newman, J., dissenting). Judge Miner, concurring in the denial, asserted that "the panel majority opinion is consistent with settled law and leaves no room for misunderstanding." 884 F.2d at 660 (Miner, J., concurring). These disparate opinions merely underscore the turbulence that has been generated by the Second Circuit's decision, and why clarification by this Court as to the issues presented is imperative.

REASONS FOR GRANTING THE WRIT

I.

THE SECOND CIRCUIT'S *PER SE* RULE AS TO USE OF UNPUBLISHED MATERIALS RADICALLY UPSETS THE CAREFULLY CRAFTED BALANCE BETWEEN THE EXCLUSIVE RIGHTS AFFORDED COPYRIGHT HOLDERS AND THE LIMITATIONS PLACED ON THOSE RIGHTS BY THE FAIR USE DOCTRINE

Our nation's scheme of copyright protection, deriving from Article I, Section 8 of the United States Constitution, and from a succession of copyright law enactments, most recently the 1976 Copyright Act, is designed to encourage creativity by offering limited protection to literary and artistic expression, thereby assuring "contributors to the store of knowledge a fair return for their labors." *Harper & Row Publishers, Inc.* v. *Nation Enters.*, 471 U.S. 539, 546 (1985). *Accord Twentieth Century Music Corp.* v. *Aiken*, 422 U.S. 151, 156 (1975).

At the same time, however, as this Court has observed, the privileges granted by copyright "are neither unlimited nor primarily designed to provide a special private benefit." *Sony Corp.* v. *Universal City Studios*, 464 U.S. 417, 429 (1984). Rather, the public interest in access to information and knowledge must be properly accommodated. *Id.*

A delicate balance must, therefore, be struck between protecting the works of copyright owners and permitting later artists and authors to build upon these works. Both interests are fundamental to the purpose of copyright. It was to accommodate and, as necessary, reconcile, these competing interests that the fair use doctrine developed, first at common law and, more recently, as codified in § 107 of the 1976 Copyright Act.

The fair use doctrine has been described as an "equitable rule of reason," H.R. Rep. No. 1476, 94th Cong., 2d Sess. (1976) 65, *reprinted in* 1976 U.S. Code Cong. & Admin. News, 5659, 5679 (hereinafter "House Report"), whose purpose is to

advance "criticism, comment, news reporting, teaching, . . . scholarship [and] research." 17 U.S.C. § 107.[4] Its application is case and fact-specific and "calls for a sensitive balancing of interests." *Sony*, 464 U.S. at 455 n.40.

Section 107 of the 1976 Copyright Act provides general guidance to the public and the courts, in setting forth four, non-exclusive factors to be considered "[i]n determining whether the use made of a work in any particular case is a fair use."[5] It is well established that, just as these factors are non-exclusive, no one of them is definitive or determinative. *See* House Report at 65.

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4 The rationale for fair use was cogently articulated by the Second Circuit over twenty years ago:

> The fundamental justification for the [fair use] privilege lies in the constitutional purpose granting copyright protection in the first instance, to wit, "To Promote the Progress of Science and the useful Arts . . . ." To serve that purpose, "courts in passing upon particular claims of infringement must occasionally subordinate the copyright holder's interest . . . to the greater public interest in the development of art, science and industry."

Rosemont Enters., Inc. v. *Random House, Inc.*, 366 F.2d 303, 307 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) (quoting *Berlin* v. *E.C. Publications Inc.*, 329 F.2d 541, 544 (2d Cir.), *cert. denied*, 379 U.S. 822 (1964)).

5 17 U.S.C. § 107 provides:

> In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

According to the legislative history, this statutory codification was intended "to restate the present judicial doctrine of fair use, not to change, narrow or enlarge it in any way." H.R. Rep. No. 1476, 94th Cong., 2d Sess., 66, *reprinted in* 1976 U.S. Code Cong. & Admin. News, 5659, 5680 (hereinafter "House Report").

This Court, in *Harper & Row*, had occasion to examine the applicability of the fair use doctrine in relation to unpublished works. While it there rejected The Nation's overly expansive fair use claim as to its unauthorized first publication of excerpts from President Ford's memoirs, this Court's conclusion followed only after careful evaluation of all four of § 107's factors, and of the policy and equitable issues there presented.

Specifically with respect to the unpublished nature of the work involved in *Harper & Row*, the Court observed that "the scope of fair use is narrower with respect to unpublished works," 471 U.S. at 564,[6] and that the unpublished nature of a work is a " 'key, though not necessarily determinative, factor' " in fair use analysis. *Id.* at 554 (quoting S. Rep. No. 473, 94th Cong., 1st Sess. (1975) 64).

Although *Harper & Row* thus enunciated a predisposition against the availability of fair use in relation to unpublished works, it certainly did not foreclose altogether application of the doctrine where particular circumstances warrant. Indeed, it was only upon the Court's examination of *all* of the fair use factors—including, but not limited to, the unpublished nature of the work—that it reached its conclusion that The Nation had infringed Harper & Row's copyright.[7]

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6 Even in the context of analyzing the second factor, the Court recognized gradations within the category of unpublished works. Ford's *A Time to Heal* was thus characterized as "an unpublished historical narrative or autobiography." *Harper & Row Publishers, Inc.* v. *Nation Enters.*, 471 U.S. 539, 563 (1985). The Court explained that "[t]he law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy." *Id.*

7 A number of facts which dictated against a finding of fair use in *Harper & Row* are not present in *New Era*. First, unlike the Ford memoirs in *Harper & Row*, which had never been disseminated, many of the writings at issue in *New Era*, though technically "unpublished," had been furnished to the government and other third parties. Second, although, in *Harper & Row*, The Nation "scooped" Time Magazine by publishing excerpts of the Ford memoirs just prior to the date set for Time's licensed publication, and therefore triggered Time's cancellation of its contract with Harper & Row, no such detrimental market

The Second Circuit's fair use analysis in this case misreads *Harper & Row* to suggest the virtual unavailability of fair use in conjunction with any manner of use of unpublished materials. Apart from such misreading, this analytic process would elevate but one of the fair use factors enumerated in § 107—the second—to dispositive status and ignore all of the other factors that must inform a court's fair use analysis.[8] Such an approach flies in the face of the statute, its legislative history and the precedents of this Court, which nowhere exempt fair use determinations as to unpublished materials from case-by-case analysis based on the panoply of relevant factors.[9]

As importantly, the Second Circuit's *per se* view concerning use of unpublished materials ignores the public interest in the creation of works of history and biography. Such works serve fundamental First Amendment and public interests which must not be disregarded. Indeed, such works of scholarship are the very sorts of writings to which the fair use doctrine was intended to apply. *See Rosemont Enters., Inc.* v. *Random House, Inc.*, 366 F.2d 303, 307 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) (adverting, in the fair use context, to the "public benefit in encouraging the development of historical and biographical works and their public distribution").

To deprive biographers and other historians of the ability to utilize unpublished primary source materials in appropriately

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impact is presented in *New Era*, in circumstances where Hubbard is deceased and there exist no imminent plans to publish his writings. Further relevant in *Harper & Row* was the fact that The Nation had taken "essentially the heart of the book," 471 U.S. at 565, adding little or no independent creation of its own, in contrast to the "small fragments" taken here by a biographer with a distinctive point of view.

8 Even in focusing on the second factor, the Court of Appeals ignored the factual nature of the work involved. *See supra* note 6.

9 Indeed, it is impossible to square the *per se* approach of the Second Circuit with at least one illustration of fair use as set forth in the House Report accompanying passage of the 1976 Copyright Act, to wit: "quotation of . . . short passages in a scholarly or technical work, for illustration or clarification of the author's observations." House Report at 65.

limited fashion would be to deprive them of the basic tools of their trade. Indeed, one of the earliest fair use decisions recognized that letters, for example, serve a time-honored special function as primary source material for biographers. *Folsom* v. *Marsh*, 9 F. Cas. 342, 344-45 (C.C. Mass. 1841); *see also Estate of Hemingway* v. *Random House, Inc.*, 49 Misc. 2d 726, 268 N.Y.S.2d 531 (Sup. Ct. 1966), *aff'd*, 25 App. Div. 2d 719, 269 N.Y.S.2d 366 (1966). As the noted historian Barbara Tuchman has observed, it is the historian's objective to use materials *only* from primary sources: "The most primary source of all is unpublished material: private letters and diaries or the reports, orders, and messages in government archives. There is an immediacy and intimacy about them that reveals character and makes circumstances come alive." *Practicing History*, 18-19 (1981).

The Second Circuit's extreme position thus threatens the vitality—indeed, the very creation—of many important works. The Second Circuit encompasses the heart of the book publishing industry, with many of AAP's members headquartered within its boundaries. The impact of its ruling will, therefore, both be broad and, if left undisturbed, likely influence the copyright jurisprudence of other courts of appeals which look to the Second Circuit for especial guidance in this area.

With the Second Circuit's *per se* rationale in place, publishers are faced with the unpalatable choice of either (1) refraining from publishing any work which contains more than a "minimal amount" of quotation from others' unpublished materials, thereby stifling scholarly publishing and all but guaranteeing that biographical work will be dry and sterile; or (2) publishing such work and facing the all but certain peril of a costly infringement suit in which the publisher would have little or no probability of a successful defense, and in which an injunction would almost certainly be granted—a loss that few publishers could afford.[10]

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10 Indeed, we have already seen the start of such litigation. The widow of novelist Richard Wright has commenced an action against the publisher of a biography of her husband, challenging brief quotation of

By these consequences, the Second Circuit has worked a disservice to core First Amendment policies, as well as to the policies encouraging the advancement of the sciences and arts, which are a foundation of the 1976 Copyright Act. If allowed to stand, the decision below will inevitably chill, as it already has begun to, the publication of works of authorship and consequently adversely affect the reading and learning public. The resulting censorship is anathema to the public interest in access to scholarly, informative works and to the First Amendment concerns which the Copyright Act, through its fair use provisions, strives to accommodate.

II.

THE SECOND CIRCUIT'S FIAT THAT INJUNCTION IS THE AUTOMATIC CONSEQUENCE OF THE USE OF UNPUBLISHED MATERIALS VIOLATES LAW APPLICABLE TO THE GRANTING OF INJUNCTIONS, IGNORES FIRST AMENDMENT VALUES AND THE PUBLIC INTEREST, AND JEOPARDIZES THE PREPARATION AND PUBLICATION OF SCHOLARLY WORK

The Second Circuit's decision not only precludes any finding of fair use of unpublished material, but virtually automatically requires an injunction against publication of the infringing work. "[T]he copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use." 873 F.2d at 584. *Accord Salinger* v. *Random House, Inc.*, 811 F.2d at 96. This automatic remedy flies in the face of settled law. Moreover, it will, and indeed already has begun to, have an immediate chilling effect on publication of historical and biographical scholarship, with far-reaching and disastrous consequences for publishers, scholars and the public interest in the continued growth of recorded knowledge.

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unpublished letters from her husband to the author of the biography. *Wright* v. *Warner Books, Inc.*, 89 Civ. 3075 (S.D.N.Y.).

Consistent with the rule that injunction " 'is not a remedy that issues as of course' " *Weinberger* v. *Romero-Barcelo*, 456 U.S. 305, 311 (1982) (quoting *Harrisonville* v. *W.S. Dickey Clay Mfg. Co.*, 289 U.S. 334, 337-38 (1933)), injunction is a *permissive*, not obligatory, copyright infringement remedy under § 502(a) of the 1976 Copyright Act. The discretionary language of § 502(a) is also consistent with black letter law that courts must balance the equities between the parties and weigh the public interest before granting injunctive relief. *Yakus* v. *United States*, 321 U.S. 414, 440 (1944). "Where an important public interest would be prejudiced, the reasons for denying the injunction may be compelling." *Harrisonville*, 289 U.S. at 338.

There can be no doubt that the public has a strong interest in development of and access to scholarly works. The Second Circuit has earlier observed that First Amendment values necessarily weigh heavily in determining whether a prior restraint should issue, thereby totally suppressing such scholarly works:

> "The normal reluctance to impose a summary restraint . . . is particularly acute in a case such as this which deals with the publication of a book. Before the court will intrude into an area fraught with sensitivity in its possible impingement upon fundamental democratic and intellectual institutions, it will require a showing . . . of a right, both legal and factual, in most unequivocal terms."

Rosemont Enters., Inc. v. *Random House, Inc.*, 366 F.2d 303, 311 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) (quoting *Estate of Hemingway* v. *Random House, Inc.*, 49 Misc. 2d at 728, 268 N.Y.S.2d at 534 (Sup. Ct. 1966), *aff'd*, 25 App. Div.2d 719, 269 N.Y.S.2d 366 (1966)).[11]

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11 The holding of a New York State Court in denying an application for a preliminary injunction of the publication of a biography of Ernest Hemingway is particularly apposite: "We are dealing here with a possible limitation upon 'speech,' an area pregnant with social and historical implications striking at the very fundamentals of our political structure. The free and unfettered exchange of ideas and information of all types has been a hallowed tradition that has served to nourish an informed and alert citizenry." *Estate of Hemingway* v. *Random House, Inc.*, 49 Misc. 2d 726, 730, 268 N.Y.S.2d 531, 536 (Sup. Ct. 1966), *aff'd.*, 25 App. Div.2d 719, 269 N.Y.S.2d 366 (1966).

The arbitrary requirement that an injunction follows any but the most minimal use of unpublished copyrighted material cannot be reconciled with the language of the copyright law itself or overriding public interest and First Amendment considerations. Automatic invocation of injunctive relief is especially improper when other available remedies, *e.g.*, damages, will more appropriately balance the competing interests at stake. In a case such as here presented, a court must consider the remedy that is sufficient to compensate the copyright holder for any infringing use, but which at the same time does not unduly hamper the scholar's freedom to write, the publisher's right to publish, and the public's interest in access to, a work which may have narrowly crossed the line by incorporating small amounts of copyrighted, unpublished source materials.[12] *See generally Sony*, 464 U.S. 417, 499-500 (Blackmun, J., dissenting); 3 M. Nimmer, *Nimmer on Copyright*, § 14.06[B], 14-56.2 (1989) ("Where great public injury would be worked by an injunction, the courts might . . . award damages or a continuing royalty instead of an injunction . . . . ").[13]

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12 Automatic resort to injunctive relief seems especially inappropriate on facts such as here presented, where the injunction is sought by a copyright owner who is not the author and who seeks to control the dissemination of a work which paints an unflattering but demonstrably truthful portrait of the deceased author, who is a controversial public figure. The use of the copyright monopoly to stifle speech and prevent the public from learning truthful information about an individual in whom the public has a legitimate interest should not merit an automatic injunction. "It is a principle of general application that courts, and especially courts of equity, may appropriately withhold their aid where the plaintiff is using the right asserted contrary to the public interest." *Morton Salt Co.* v. *G.S. Suppiger Co.*, 314 U.S. 488, 492 (1942).

13 *See also Abend* v. *MCA, Inc.*, 863 F.2d 1465, 1479 (9th Cir. 1988), *cert. granted*, 110 S. Ct. 47 (1989) (holding that an injunction against further exploitation of an infringing motion picture would work injustice to others and that the copyright owner's proper relief was damages and an apportionment of profits); Goldstein, *Copyright and the First Amendment*, 70 Colum. L. Rev. 983, 1030 (1970):

(*footnote continued*)

This Court "has repeatedly held that the basis for injunctive relief in the federal courts has always been irreparable injury and the inadequacy of legal remedies." *Weinberger*, 456 U.S. at 312. Here, the District Court, weighing all of the equities, found that there was an adequate legal remedy. The Second Circuit has effectively pronounced that the sensitivity called for by the 1976 Copyright Act and prior case law, and applied by the District Court, is misplaced. Its preempting rule—that injunction must inevitably follow virtually any use of unpublished source material—will, if left uncorrected by this Court, produce incalculable damage to scholarly writing and publishing. This Court promptly should correct the Court of Appeals' error so as to permit important publishing projects to come to fruition and flourish.

The preference for damages over injunctive relief is a corollary of the requirement of demonstrable injury. From a First Amendment viewpoint, the effect of an injunction is to restrain the infringing expression altogether—an effect which goes beyond what is necessary to secure the copyright property. An award of monetary damages, which permits the infringing expression at a reasonable cost, is more tolerable from a first amendment point of view.

CONCLUSION

For the reasons stated, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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No. 89-869

IN THE

Supreme Court of the United States

OCTOBER TERM, 1989

HENRY HOLT AND COMPANY, INC.,

Petitioner,

vs.

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF AMICUS CURIAE IN SUPPORT OF PETITION

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No. 89-869

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1989

HENRY HOLT AND COMPANY, INC.,

Petitioner,

- against -

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,

Respondent.

BRIEF AMICUS CURIAE OF AMERICAN COUNCIL OF LEARNED SOCIETIES, AMERICAN HISTORICAL ASSOCIATION, AMERICAN POLITICAL SCIENCE ASSOCIATION, MODERN LANGUAGE ASSOCIATION OF AMERICA, AND ORGANIZATION OF AMERICAN HISTORIANS IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

THE INTEREST OF THE ORGANIZATIONS

The American Historical Association (AHA), with headquarters at 400 A Street, S.E., Washington, D.C. 20003, is the oldest and largest national association of historians in the United States, chartered in 1889 by special act of Congress. It has a membership of over 14,000 practicing historians in academic and public life, who engage in research in all fields and in all periods of history.

The Organization of American Historians (OAH), with executive offices at 112 North Bryan Street, Bloomington, Indiana 47401, represents and serves approximately 8,700 individual members and 3,500 institutional members. Founded in 1907, it is the leading professional organization of scholars

involved in the study of the history of the United States.

The American Political Science Association (APSA), with headquarters at 1527 New Hampshire Avenue, N.W., Washington, D.C. 20036, is the leading professional organization for those engaged in the study of politics and government. Founded in 1903, it has a membership of 12,000 individuals and 3,000 institutions.

The Modern Language Association of America (MLA), Ten Astor Place, New York, New York 10003, was founded in 1884 to promote the study and teaching of the modern languages and their literatures. With 27,000 members, it has the largest membership of any organization representing teachers and scholars of the humanities.

The American Council of Learned Societies, with offices at 228 East 45th Street, New York, New York 10017, is a federation of forty-six national scholarly organizations and associations, dedicated to the advancement of humanistic studies of all fields of learning. Organized in 1919 and incorporated in the District of Columbia in 1924, Congress granted it a federal charter in 1982. With the support of government and private funds, it sponsors research, presentations, and publications in all fields of humanistic scholarly endeavor.

The members and beneficiaries of the services of these organizations regularly research, write, and publish articles and books on history, political science, literature, and other scholarly subjects. These works are designed to

expand the boundaries of knowledge both of scholars and of general readers. In the course of their work, the members of the above-named organizations frequently draw upon unpublished sources that receive copyright protection under the Copyright Revision Act of 1976. These scholars quote and paraphrase these unpublished sources, in accordance with the conventions of scholarship and in reliance upon the provisions for fair use under the 1976 law.

The AHA, OAH, APSA, MLA, and many of the member associations of the American Council of Learned Societies also publish the leading scholarly journals in their fields. Unpublished materials are regularly quoted in these journals, in accordance with the conventions of scholarship and the fair-use provisions of the law. On behalf of their members

as authors and themselves as publishers, these associations have a vital interest in seeking review of the decision of the Second Circuit Court of Appeals, which severely limits the circumstances in which unpublished materials can be quoted, seriously impairing the ability of researchers to conform to the canons of modern scholarship.

These scholarly organizations support the petition for certiorari but do not here take up the merits of the case. Petitioner and respondent have consented to the filing of this brief.

ARGUMENT

REASONS FOR GRANTING THE WRIT

The scholarly organizations joining in this brief wish to express their concern over the reasoning of the United

States Court of Appeals for the Second Circuit in the case of Henry Holt and Company, Inc. v. New Era Publications International, ApS, 873 F.2d 576 (2d Cir. 1989).

The Court of Appeals has stated in New Era that unpublished primary source materials "normally enjoy complete protection" from any fair use quotation. 873 F.2d at 583. The Court has further stated that "the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction" forbidding publication. 873 F.2d at 584. These extreme restrictions on the "fair use" of unpublished works are not only inconsistent with the reasoning of this Court in Harper & Row, Publishers v. Nation Enterprises, 471 U.S. 539 (1985), but totally at odds with the actual prac-

tice of historians, biographers and political scientists.

The canons of scholarly research require responsible biographers, historians and political scientists to draw upon and quote from unpublished primary source materials with the understanding that a limited amount of quotation is consistent with the doctrine of "fair use." If the Copyright Revision Act of 1976 is held to so narrowly restrict the quotation of unpublished but publicly disseminated letters, diaries, journals, speeches, and memoranda, the accuracy, cogency, and persuasiveness of scholarly writing will be greatly diminished, as will be the satisfaction readers derive from its elegance, symmetry, and sense of completeness.

In the earlier case of Salinger v. Random House, Inc. and Ian Hamilton, 811

F.2d 90 (2d Cir.), cert. denied, 108 S. Ct. 213 (1987), the Court of Appeals interpreted the Copyright Revision Act virtually to preclude fair use of unpublished manuscript materials deposited in libraries and archives open to the public. In this case, the court has interpreted the law to preclude almost any fair use of unpublished manuscript materials obtained from United States government agencies by means of requests filed pursuant to the Freedom of Information Act. In these two cases, the Second Circuit has, for all practical purposes, taken the position that "fair use" allows no use of two significant categories of primary source materials upon which scholars have long depended.

To interpret the Copyright Revision Act of 1976 to impose such severe restrictions on the fair use of unpub-

lished materials suggests that in passing the Act Congress intended radically to restrict the customary practice of American scholarship. Neither the legislative record nor the Supreme Court's decision in Harper & Row warrants such an extreme conclusion. If sustained, such an interpretation will disrupt and discourage important scholarly projects, many of which have received the support of the government itself through the National Historic Publications and Records Commission, the National Endowment for the Humanities, and other agencies mandated by Congress to support scholarly activity, including research and publication of unpublished materials.

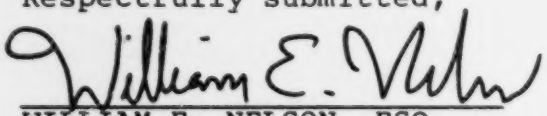
CONCLUSION

We believe that the scholarly community will join us in urging that the Copyright Revision Act be interpreted as

Congress intended, to sustain the legally and morally responsible "fair use" scholars have traditionally made of unpublished primary source materials. The issue is one of great legal and practical importance. For the foregoing reasons, a writ of certiorari should issue to review the opinion of the United States Court of Appeals for the Second Circuit.

Dated: New York, New York
December 19, 1989

Respectfully submitted,



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OCTOBER TERM, 1989

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Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF AMICI CURIAE OF PEN AMERICAN CENTER AND THE AUTHORS GUILD, INC., IN SUPPORT OF PETITION FOR CERTIORARI

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89-869

In the

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October Term, 1989

HENRY HOLT AND COMPANY, INC.

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vs.

NEW ERA PUBLICATIONS INTERNATIONAL, ApS,

Respondent

BRIEF AMICI CURIAE PEN American Center and The Authors Guild, Inc. in Support of Petition for Certiorari

THE INTEREST OF THE AMICI CURIAE *

PEN American Center ("PEN") is an organization of 2,400 novelists, poets, essayists, translators, playwrights, and editors, chartered to defend free and open communication within all nations

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* Letters of consent to the filing of the within amicus brief are being lodged with the Clerk of the Court simultaneously with the filing.

and across national boundaries. American PEN has taken a leading role in attacking restrictive laws, rules, regulations and practices that censor, curb, or limit freedom of speech or expression in the nation.

The Authors Guild, Inc. is the major national society of professional authors, representing more than 6,500 members throughout the nation. One of the Guilds' principal purposes is to express its members' views in cases involving fundamental questions of both freedom of expression and copyright law.

Both amici recognize that the proper application of the copyright law assists authors -- and ultimately the public -- by protecting creative works from unauthorized copying and by giving authors an economic incentive to create those works. Properly enforced, the

copyright law serves the interests of authors and readers alike. In this case, however, the copyright law has been interpreted so expansively as to limit the freedom to write about historical events and current affairs. Because the decision sought to be reviewed, by its overprotective ruling on the scope of the fair use doctrine relating to unpublished works, significantly restricts the ability of authors to use primary sources to write about historical figures, the amici support the instant petition for certiorari and urge the Court to issue the writ.

INTRODUCTION AND SUMMARY OF ARGUMENT

The decision and opinion of the Second Circuit below has created confusion, consternation and concern in the publishing industry in the United States. It affects not only the book

publishing business (which is centered in New York, the jurisdiction covered by the decision), but magazine and newspaper publishers as well, all of whom are without guidance as to the amount of unpublished material they are allowed to quote. The original panel decision appeared to prohibit the quotation of any unpublished material still covered by copyright [2] -- letters, journals, diaries, or notes -- which the author wishes to quote. And if any such copying occurred, the Court below suggested that an injunction must issue

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2. Under 17 U.S.C. §303, the copyright term for all unpublished and uncopyrighted material, no matter when composed and created, shall not expire before December 31, 2002. Thus, the heirs of Thomas Jefferson, Aaron Burr, and James Madison could presumably sue for copyright infringement if the unpublished letters of their forebears were quoted in a book contrary to the rule outlined in the case under review.

prohibiting the sale or distribution of the entire work in which the offending passage is found [3] -- no matter how small in comparison to the entire work.

The panel opinion (written by Judge Miner) seems to have been modified in some respects by the opinion concurring in the denial of rehearing en banc, also authored by Judge Miner (A-225-235). But that opinion adds new confusion on whether only facts may be copied or whether expression used "to enliven the copier's prose" may also be taken (A-228) and how that distinction can be made. Even that issue is challenged in the opinion dissenting from the denial

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3. "Since [under ordinary circumstances], the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use, the consequence of the district court's finding seems obvious." (A-19, 235 quoting Salinger, op. cit., 811 F.2d at 96.)

of rehearing en banc (written by Judge Jon O. Newman, the author of the Salinger case, Salinger v. Random House, Inc. 811 F.2d 90 (2d Cir. 1987), which the panel opinion here purported to apply). Judge Newman takes issue with the conclusions drawn in both majority opinions. (A-235-246). Chief Judge Oakes adds still another voice, in his opinion concurring with the original panel decision, dealing with the issue of the circumstances under which an injunction can be issued if fair use is not found.

The result of the conflicting opinions on the issue of how much unpublished material may be quoted in a subsequent history, biography, news-article or story is that publishers must engage in the most extreme self-censorship to avoid any copyright pitfalls in using unpublished material.

As this brief is written, they are doing just that. Ordinary and well-established methods of historical research and writing have been called into question, and biographers and historians are now required to confront a copyright barrier to their use of primary sources -- a result contrary to every canon of proper historical analysis and presentation.

Viewed from the perspective of the copyright decisions of this Court, the Second Circuit opinion flies in the face of this Court's analysis in Harper & Row, Publishers, Inc v. Nation Enterprises, 471 U.S. 539 (1985). That case made clear that the determination of fair use under Section 107 of the copyright law involves a four part test, in which the use of unpublished material bears on only one factor, namely the second factor, the nature of the

copyrighted work (see 17 U.S.C. §107(2)). The Second Circuit, in both Salinger and the case below has converted the four-part test embodied in Section 107 into a one-part test: the only issue that appears to count is whether unpublished material was taken. If more than an undefined "minimal" amount of unpublished material is used, fair use cannot be established and an injunction barring the unauthorized use must inevitably follow. That conclusion cannot be squared with either the words of the statute, this Court's decision in Harper & Row or the need to accommodate First Amendment interests in interpreting the Copyright Law.

REASONS FOR GRANTING THE WRIT

The amici represent a large proportion, if not most, of the non-fiction writers, biographers and historians

writing professionally in the United States. Their interest in continuing to write books or articles on historical issues and current affairs is jeopardized by the decision below, which seems to suggest that all but the most minimal use of unpublished material covered by copyright -- which includes all material, no matter when created, originally covered by common law copyright and now protected until the year 2002 by the federal Copyright Act, see 17 U.S.C. § 303. The decision below suggests that primary sources (original letters, diaries, journals, notes and other papers written by the subject of the book) may not be used any further by non-fiction writers. Hereafter they may only rely on published sources, where the fair use rules are far more liberal. In short, quotations of unpublished

materials, including letters, are hereafter to be effectively placed off limits to historians, journalists and all other writers. Any such rule would require the historical enterprise to stop with the level of knowledge reached today in our published works.

Such a rule would be disastrous, not only for writers of journalism and history, but for our entire society which depends upon new discoveries of, and in, our past and new analyses of our historical heritage, to assist us in determining our direction for the future. It would be a appalling anomaly if the principles of copyright, which are designed to assure the "progress of science and the useful arts," (Const. Art. I, Sect. 8, cl. 8) are now applied to act as a barrier to that progress.

I.

THE COURT OF APPEALS DECISION HAS CREATED HOPELESS CONFUSION AS TO THE SCOPE OF PROTECTION AFFORDED TO TECHNICALLY UNPUBLISHED, PRIMARY SOURCE MATERIAL QUOTED IN WORKS OF HISTORY AND CURRENT AFFAIRS.

Five of the twelve active judges on the Second Circuit (which encompasses New York City, the heart of the publishing industry in this country, if not the world) concluded that the panel decision sought to be reviewed should have been reheard en banc, in "order to avoid misunderstanding on the part of authors and publishers as to the copyright law of this Circuit," (A-235-36). Whether or not authors and publishers misunderstood the ruling, they can hardly be faulted for the depth of their confusion and concern about it.

Speaking for four judges who voted for rehearing, Judge Newman, the author

of the Salinger opinion, which the panel purported to apply, discussed two concerns about the scope of the majority's decision: First, he expressed concern about how much quotation was permissible of unpublished materials "where copying is necessary fairly and accurately to report a fact set forth in the author's writing." (A-239). He noted that "we are not sure precisely what the panel opinion means by this passage [refusing to note any distinction between quotation to show a person's writing style rather than to make a point about his character]." (A-239) Judge Newman felt that this Court's decision in Harper & Row permitted the quotation of material "necessary adequately to convey the facts," (A-241, quoting from 471 U.S. at 557). He found that the panel opinion did not

adequately and sufficiently recognize the force of this Court's statement in the case and that clarification was necessary to insure that accurate quotation from source material was permitted to support a factual argument. In response, Judge Miner refused to acknowledge that any difference existed between quotation to make a point about the person's character and quotation to enliven the text. (A-231) He noted that "small amounts" (undefined) of unpublished material could be quoted in both categories.

Second, Judge Newman noted that the panel opinion did not explain the circumstances when an injunction could be issued, once fair use was found not to apply: "we are not certain that the panel intended its language to be .. understood" to require an injunction to

be issued as a matter of course, if infringement is found. (A-243) In response to this point, Judge Miner, on behalf of the panel, agreed to add the bracketed phrase to the original decision in this matter:

> "Since [under ordinary circumstances] the copying of 'more than minimal amounts' of unpublished expressive material calls for an injunction barring the unauthorized use, id. [Salinger, 811 F.2d] at 96, the consequence of the district court's finding seem obvious." (A-235).

Judge Miner's "clarifications" of these two points does not meet any of Judge Newman's concerns. The addition of the phrase "under ordinary circumstances" does not tell us whether only standard equitable considerations can bar an injunction -- laches, unclean hands and the like -- or whether First Amendment factors unique to the copyright situation apply here.

Judge Newman's careful phrasing of his concern's about the panel opinion cannot hide the hopeless confusion that the opinion has created with respect to the scope of fair use in unpublished material. Aside from the two matters expressed by Judge Newman, the panel opinion and Judge Miner's opinion concurring in the denial of rehearing, reiterates again and again that only "minimal amounts" or "small amounts" of unpublished material can be taken. (A-19, 231, 234). No opinion, however, of the Second Circuit even begins to address the question of how to determine how much may be quoted. Is it some total amount? Or is a percentage to be used? If the latter rule applies, is it a percentage of the material taken from the copyright owner (as the third fair use factor seems to suggest) or a

percentage of material as used by the alleged infringer (as this Court's opinion in Harper & Row suggests)? When one deals with unpublished letters, is the relevant percentage the proportion taken from a single letter (as the Salinger case suggests), or from the total unpublished corpus of the subject of the work, as Judge Oakes suggested in his concurring opinion in New Era? (A-29).

These questions are not academic issues of interest only in law school classes, but vital questions which publishers and authors confront on a day to day basis with respect to every non-fiction book relying on primary sources. They can and do arise not only in book publishing but in newspaper and magazine offices every day. Without guidance from this Court as to the scope of the fair

use doctrine in this area, publishers will engage in the most extreme self-censorship to avoid litigation. Such an approach can lead only to the removal of all offending passages that could conceivably result in a copyright infringement suit and the almost automatic issuance of an injunction if fair use is not found. As Arthur M. Schlesinger, Jr. has written, "The Bare-Faced Messiah decision strikes a blow against the whole historical enterprise..." Schlesinger, "The Judges of History Rule," Wall Street Journal, Oct. 26, 1989, Sec. A, at 16.

II.

THE DECISION BELOW WILL RESULT IN THE CURTAILMENT AND SELF-CENSORSHIP OF HISTORICAL WRITINGS.

The petition for certiorari quotes extensively from professional writers

and researchers who note the dangers to the historical endeavor from application of the legal rule in New Era. We wish to bring to the Court's attention the comments of the author of a recent biography, James Reston, Jr., author of The Lone Star, a biography of John Connally, about the practical impact of the new rule:

> "Since the letters [I wished to quote] came from opened files in a presidential library, it felt as if to discover rich, unpublished material in a kind of research coup was dangerous; to use it was a crime. Good research was a form of entrapment. Better and safer, the law....seemed to be saying, that you rehash the stale stuff that has already appeared in print.
>
> ...I was informed .. that a hostile subject of a biography could not stop publication for supposed libel, but he could enjoin publication for copyright infringement. No author, in my view, could bear that risk...

Letter, dated October 27, 1989, James Reston Jr. to Arthur M. Schlesinger,

Jr., made available to counsel for amici in this matter.

For the guidance of the Court, we note only a few of the recent works of history, biography and current affairs which made use of primary sources and which could not have been written in the same way had the decision below been in force at an earlier time: [4]

BOOK	PRIZE WON	UNPUBLISHED MATERIAL USED
"A Bright Shining Lie" by Neil Sheehan	Pulitzer, 1989	papers of John Vann
"Parting the Waters," by Taylor Branch	Pulitzer, 1989	papers of Martin Luther King, Ralph Abernathy
"The Making of the Atomic Bomb" by Richard Rhodes	National Book Award, 1987	papers of J. Robert Oppenheimer other scientists

4. Arthur Schlesinger, Jr. recently observed, "[I]f the law were this way when I wrote the three volumes of 'The Age of Roosevelt,' I might still be two volumes short." Newsweek, December 25, 1989, p. 80.

"The Power Broker" by Robert Caro	Pulitzer, 1975	papers of Robert Moses
"Luce and His Empire," by W.A. Swanberg	Pulitzer, 1973	papers of Henry Luce
"Huey Long" by T. Harry Williams	Pulitzer, 1970	papers of Huey Long

Any rule of law that would jeopardize the research and writing of some of the great works of modern American history and biography cannot be allowed to stand.

III.

THE DECISION BELOW IMPROPERLY MADE THE UNPUBLISHED NATURE OF THE QUOTED MATERIAL THE SOLE AND DECISIVE FAIR USE FACTOR.

The crucial legal error made by the Second Circuit was its elevation of the second fair use factor into the sole and decisive issue, contrary to both the words of the Copyright Act and this Court's holding in Harper & Row.

The way in which it has reached this erroneous and dubious dead end, is by its misinterpretation of the fourth fair use factor. In Harper & Row, this Court noted that the fourth factor -- the effect upon the potential market for the copyrighted work -- was "undoubtedly the single most important element of fair use." 471 U.S. at 566. When the Nation article appeared, Time Magazine canceled its contract for first serial rights, thereby depriving Harper & Row of its $12,500 share of the proceeds for the publication. Thus, the fourth factor had to be weighed in favor of the plaintiff in that case.

The Second Circuit, in both the Salinger case and again here, has taken this Court's analysis in Harper & Row far beyond any sensible interpretation of the terms "effect...upon the

potential market." Thus in Salinger, the plaintiff proclaimed that he had no intention of publishing the quoted letters at any time during his lifetime. The Second Circuit responded by stating that "Salinger has the right to change his mind," 811 F.2d at 99. In addition, the Court noted that the author of unpublished letters "is entitled to the opportunity to sell his letters," id. While the Court also agreed that "the book would not displace the market for the letters," the fact that Salinger was quoted many times in the book "will convey the impression [to the public] that they have read Salinger's words" and therefore "some impairment of the market seems likely," id.

It does not take extended analysis to show that the Salinger analysis will apply to any letters of any subject of

any biography. Even if there is no possibility of the subject using his letters in any future work, he "might change his mind." In that case, he should be "entitled to protect the opportunity to sell his letters." If an author has quoted from the letters, he has "conveyed the impression" to the public "that they have read [the subject's] words," thereby impairing the potential market for the subject's own collection of his letters, which he may never write.

In this manner, the Second Circuit has once again turned the craft of biography and history on its head by suggesting that if an author has really informed the public about the subject of their book and indeed, if readers really did learn about that person, this would automatically work against the author as

far as fair use is concerned since it would discourage the public from buying the not-yet-written autobiography of the person being written about. Only if a book told the public nothing about the subject, would the quotation have no effect upon the market for his actual written words.

What the Second Circuit has done, therefore, is to create a legal rule that requires that any quotation from unpublished letters automatically must have an effect upon the potential market for the copyrighted work, and therefore, that the fourth fair use factor must always be weighed in favor of the plaintiff when such material is quoted.

The Second Circuit took this analysis one step further in New Era. In that case, the subject of the biography -- L. Ron Hubbard -- was dead, and there

was no chance for him to use the unpublished material. His unpublished letters and journals were quoted in Bare-Faced Messiah to illustrate the most unflattering and sordid aspects of the man's life and to prove to the world that he was a fraud and a charlatan. His literary executor swore that "any biography that is not objectively favorable to Mr. Hubbard" would not be approved for publication. (A-43) The chances of the critical letters ever being used by the owners of his copyrights was non-existent.

But being bound by the ruling in Salinger that any use of unpublished materials will, by hypothesis, have a potential effect upon the market, the Second Circuit found that factor also favoring the plaintiff. With the fair use scales so loaded against historians

and others who seek to quote from unpublished material, the Second Circuit has effectively transformed the four-part fair use test established by the Copyright Act into a one-part test. That is an error well worthy of review by this Court.

IV.

THE DECISION BELOW IMPROPERLY CONCLUDED THAT AN INJUNCTION SHOULD ISSUE VIRTUALLY AUTOMATICALLY ONCE FAIR USE WAS FOUND NOT TO APPLY.

Perhaps the most disturbing aspect of the decision below was its conclusion that it was "obvious" that an injunction must issue almost automatically once any infringement was found at all. (A-19). It is not obvious to the amici that this is or should be the law, either as a matter of interpretation of the Copyright Act or of the First Amendment. What is obvious is that it is well worth

the effort of this Court to elucidate upon when an injunction may be issued -- or withheld -- in a copyright action.

The Court of Appeals, for example, gave no weight whatever to the amount of material allegedly infringed compared to the work as a whole in determining whether an injunction should issue. Nor did it take any account of the reality pointed out by Judge Oakes that "responsible biographers and historians constantly use primary sources, letters, diaries, and memoranda" and that "it would be irresponsible to ignore such sources of information." (A-48).

Nor was any weight given by the majority to the extraordinarily heavy burden traditionally required under First Amendment principles before a prior restraint will be countenanced.

It is one thing to say that injunctions are available in copyright cases. See New York Times Co. v. United States, 403 U.S. 713, 731 n.1 (1971)(White J., concurring). It is quite another for the issuance of an injunction against speech -- "the most serious and least tolerable infringement on First Amendment rights," Nebraska Press Ass'n. v. Stuart, 427 U.S. 539, 559 (1976) -- to be treated by the Second Circuit as virtually obligatory, whatever the harm that flows to the public as a result and whatever the availability of damages to rectify any copyright violation.

That this need not be the law is plain from District Judge Leval's contrasting effort to balance the competing interests by concluding that:

> When the interests protected by the copyright are in acute conflict with those represented by the First

> Amendment, courts should weight cautiously whether a prior restraint in the form of an injunction is the appropriate remedy. An award of damages or profits designed to secure for copyright owners appropriate rewards of creativity can protect the copyright holder with far less injury to the public interest in freedom of speech than an injunction. (A- 205)

Whatever standard is ultimately adopted -- and the amici unreservedly agree with Judge Leval -- the amici believe that it is essential that the Court clearly articulate the standards which govern the determination of when injunctions may or must issue in copyright cases. Nothing in the Act compels the issuance of an injunction after a finding of a violation. The Act itself states only that if there is a violation, the court "may... grant... final injunctions." 17 U.S.C. § 502.

It is, then, for the courts to determine when injunctions will issue.

As this case illustrates, that determination is well worth plenary consideration by this Court.

CONCLUSION

For the reasons stated above, the petition for certiorari should issue.

Respectfully submitted,

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